FINANCIAL TIMES

FRIDAY 26 MAY 2023

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Wall Street's role in Vice Media's downfall
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Ukraine is racing ahead in digital innovation
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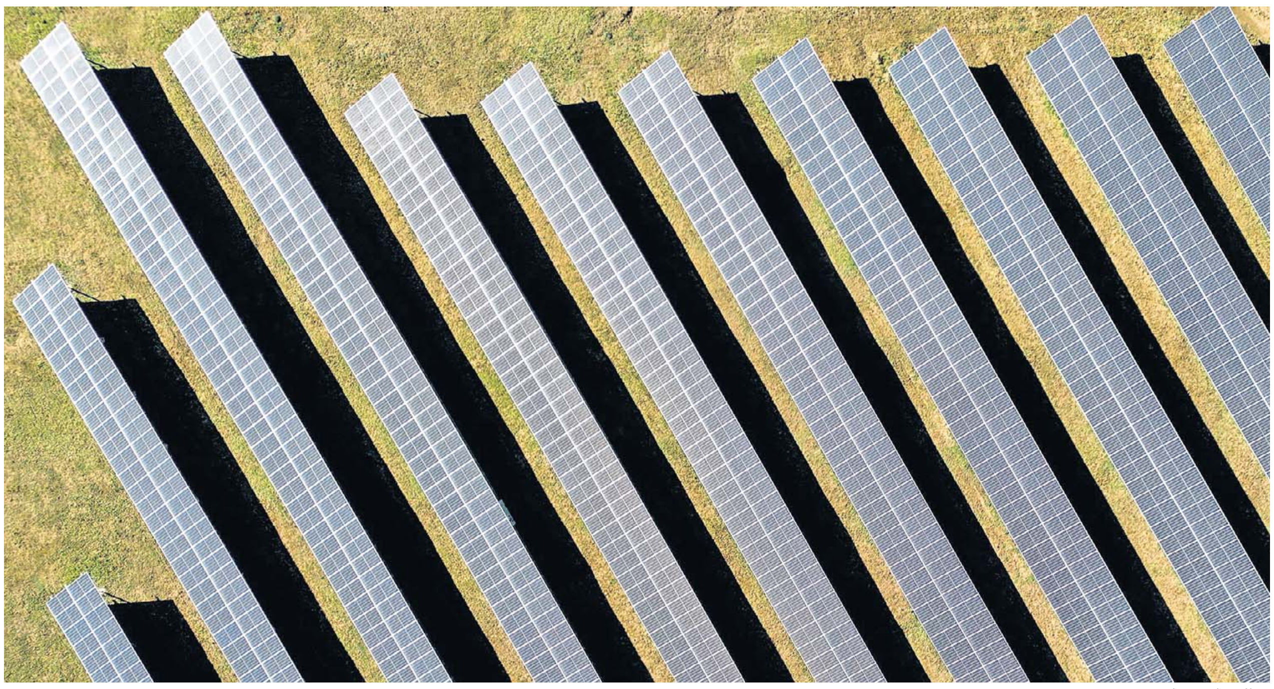
Sun seekers
Solar spending to overtake oil



Shiraaz Mohamed/AFP

An aerial view of a solar power plant in Frankfort, South Africa, this month.

The International Energy Agency said yesterday that solar power investment was expected for the first time to overtake spending on oil production this year.

With total spending forecast to reach $382bn in 2023, IEA head Fatih Birol said solar power was the "star of global energy investments". Some $371bn is set to be spent on oil production.

In 2013, $636bn was spent on oil production and $127bn on solar power. This year $1.7tn is forecast to be spent overall on clean technologies compared with $1tn on fossil fuels.

Five years ago, the $2tn in annual energy investment was split evenly between fossil fuels and clean technology, such as renewables, electric vehicles and low-emissions fuels.

Clean power page 2

Fall in EU gas demand set to outweigh flows from Russia in blow for Kremlin

- Bloc beats targets for reducing usage
- Mild winter aids measures
- Payments to Moscow plunge

ALICE HANCOCK — BRUSSELS

Brussels has said it expects EU gas demand to fall by more than its total imports from Russia this year as moves in the bloc to cut dependence on the fossil fuel take effect.

Gas-saving measures undertaken by the EU's 27 member states are estimated to cut consumption in 2023 by 60 bcm (billion cubic metres) compared with the bloc's average use over the past five years, according to an internal European Commission document seen by the Financial Times.

This represents "more than the gas volumes we still foresee to import from Russia in 2023, both pipeline and [liquefied natural gas]", the document said. It is also 8 bcm more than the bloc managed to save at the height of its energy crisis last year.

Kadri Simson, the EU's energy commissioner, told a meeting of peers this week that the fall in demand was not "good luck" but the result of a series of emergency laws passed in 2022 in the wake of Russia's invasion of Ukraine.

Among the laws was an agreement that EU countries would voluntarily reduce gas consumption by 15 per cent, a target that had been surpassed, according to the commission.

> 'The figures on the reduction are quite striking . . . Russia has lost its gas leverage on Europe'

One EU official working on energy policy said that "the figures on the reduction are quite striking", adding that this meant that "Russia has lost its gas leverage on Europe". But analysts pointed out that the EU experienced a mild winter in 2022 and that high prices had resulted in energy-intensive industry scaling back production.

If the bloc does meet the commission's expectations of cutting demand by 60 bcm, there could be a supply glut and a "big, big price drop", Henning Gloystein, director of energy, climate and resources at Eurasia Group, said.

In March EU countries agreed to extend the 15 per cent demand reduction target for another year.

A report published on Wednesday by the European Environmental Bureau found that only 14 of the 27 EU countries had introduced compulsory measures to cut energy consumption and five of those — Germany, France, Italy, Spain and Portugal — made up 60 per cent of the fall in demand.

"The most robust measures on gas savings have been implemented in countries that import large quantities of Russian gas such as Italy and Germany," the report said.

Bulgaria, Latvia and Romania were the only members not to have implemented energy saving laws, in part possibly because of already low gas demand in those countries, the report noted.

EU imports of Russian gas previously made up around two-fifths of the bloc's gas but have been steadily cut by Moscow in the run-up to and after last year's invasion of Ukraine, in an attempt to raise prices and squeeze the EU's energy supplies. Preliminary data from the commission shows that in March EU imports of Russian gas were 74 per cent lower than they were in March 2021, the document said.

Simson said that the bloc's gas reductions had resulted in the EU's total monthly payments to Russia falling from €21.4bn in March 2022 to €2.7bn in March this year.

But efforts to completely end gas flows from Russia on routes where Moscow has already cut supplies foundered at the G7 summit this month after they were blocked by EU delegates.

Xi keeps Putin waiting on gas page 3
Edward Stringer page 15

Briefing

▸ Three European insurers depart net zero initiative
Three of Europe's biggest insurers have quit the Net-Zero Insurance Alliance, as US political pressure and legal fears plunge the climate initiative into crisis.— PAGE 5

▸ German recession fears
German GDP shrank in the first quarter as insipid consumer and industrial activity raised concern that Europe's largest economy will suffer a recession.— PAGE 2

▸ China rejects hack claims
Beijing has hit back at claims by Microsoft that state-sponsored Chinese hackers have accessed "critical" US infrastructure to disrupt communications.— PAGE 5

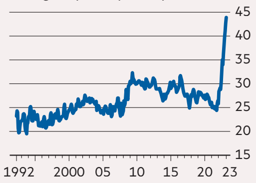
▸ Riyadh-Ottawa rift ends
Saudi Arabia and Canada are to reinstate full diplomatic relations after Riyadh downgraded ties amid criticism of the kingdom's human rights record.— PAGE 4

▸ PwC fallout widens
The Australian government has said that all staff implicated by Big Four accountancy firm PwC in a tax leak scandal should cease government work.— PAGE 6

▸ Genocide fugitive held
A fugitive wanted for his alleged role in the killing of more than 2,000 Tutsis in a church during the Rwandan genocide has been arrested near Cape Town.— PAGE 4

Datawatch

Milking it
Average UK retail price, minus the farm-gate price (pence per unit)



Sources: ONS; UBS; Agriculture and Horticulture Development Board

The retail price of a pint of British milk has for decades been 25p-30p higher than the farm-gate price. But this year the mark-up has hit a 30-year high of 44p as companies used the surge in inflation to pad out their profit margins.

Nvidia races towards joining $1tn club as AI frenzy drives chip stocks higher

TIM BRADSHAW — LONDON

Nvidia's blowout sales forecast has set the Silicon Valley company on course to become the first chipmaker to be valued at $1tn, as booming demand for its artificial intelligence processors drove chip stocks higher yesterday.

Shares in Nvidia rose 26 per cent in afternoon trading after its $11bn sales forecast for the quarter came in more than 50 per cent ahead of Wall Street's estimates. Nvidia added about $195bn to its market value yesterday, more than the entire value of Intel or Qualcomm and the biggest one-day gain ever for a US stock, according to Bloomberg.

With a market capitalisation of $952bn, Nvidia is within reach of joining Apple, Microsoft, Alphabet, Amazon and Saudi Aramco in the elite group of companies valued at more than $1tn.

Alongside Nvidia, chip suppliers including Taiwanese manufacturer TSMC and Dutch equipment maker ASML reported the biggest gains, up 3.5 per cent and 5 per cent, respectively.

The results bolstered Nvidia's claim to be the only company with tech capable of meeting demand from across the industry to build generative AI systems capable of creating humanlike content.

The group pointed to "exponential growth" in demand for computing power from cloud and internet companies as well as the automotive, financial services, healthcare and telecoms industries.

Products including Nvidia's most powerful H100 processor have become much sought after, not only by Big Tech companies but also by a new wave of AI start-ups such as OpenAI and Anthropic that have raised billions of dollars in venture funding over recent months.

"We are obviously seeing a huge spike in AI demand and Nvidia is at the very front line of that," said Geoff Blaber, chief executive of consultancy CCS Insight, describing its chips and allied software tools as the "picks and shovels" of a "generational shift in AI".

AMD, which like Nvidia makes chips to train vast sets of data for AI, jumped 10.2 per cent in afternoon trading, while Micron, the US memory-chip supplier that faces new trade restrictions in China, climbed 4.1 per cent.

However, Intel — seen by investors as lagging behind in the transition to AI — fell 5.4 per cent in midday trading, as investors bet that AI would accelerate a fundamental shift in datacentre technology at cloud providers such as Microsoft, Amazon and Google.

Lex page 16

McCarthy walks tightrope in US debt ceiling talks

Kevin McCarthy made history when it took 15 rounds of voting to elect him as US House Speaker in January. Many expected him to last only a few weeks, yet he has defied his doubters. Now he faces his toughest test as he seeks to broker a deal with President Joe Biden to raise the US debt ceiling without alienating too many members of his Republican party. Failure could see him go down in history as the Speaker who drove Washington into its first default.

Test to unite Republicans ▸ PAGE 2

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World Markets

STOCK MARKETS

	May 25	Prev	%chg
S&P 500	4135.47	4115.24	0.49
Nasdaq Composite	12662.18	12484.16	1.43
Dow Jones Ind	32626.85	32799.92	-0.53
FTSEurofirst 300	1807.34	1813.01	-0.31
Euro Stoxx 50	4272.97	4263.74	0.22
FTSE 100	7570.87	7627.10	-0.74
FTSE All-Share	4128.33	4156.82	-0.69
CAC 40	7229.27	7253.46	-0.33
Xetra Dax	15793.80	15842.13	-0.31
Nikkei	30801.13	30682.68	0.39
Hang Seng	18746.92	19115.93	-1.93
MSCI World $	2788.82	2816.85	-1.00
MSCI EM $	970.90	978.60	-0.79
MSCI ACWI $	644.84	651.17	-0.97
FT Wilshire 2500	5320.34	5359.98	-0.74
FT Wilshire 5000	41485.83	41797.91	-0.75

CURRENCIES

Pair	May 25	Prev	Pair	May 25	Prev
$/€	1.073	1.076	€/$	0.932	0.929
$/£	1.234	1.237	£/$	0.811	0.809
£/€	0.870	0.870	€/£	1.150	1.149
¥/$	139.795	139.000	¥/€	149.979	149.599
¥/£	172.431	171.881	£ index	79.924	80.149
SFr/€	0.971	0.974	SFr/£	1.116	1.119

CRYPTO

	May 25	Prev	%chg
Bitcoin ($)	26242.20	26318.46	-0.29
Ethereum	1795.20	1799.70	-0.25

COMMODITIES

	May 25	Prev	%chg
Oil WTI $	71.32	74.34	-4.06
Oil Brent $	75.45	78.36	-3.71
Gold $	1969.65	1969.20	0.02

GOVERNMENT BONDS

Yield (%)	May 25	Prev	Chg
US 2 yr	4.46	4.33	0.14
US 10 yr	3.78	3.72	0.06
US 30 yr	3.98	3.97	0.01
UK 2 yr	4.53	4.35	0.18
UK 10 yr	4.51	4.34	0.16
UK 30 yr	4.60	4.50	0.11
JPN 2 yr	-0.07	-0.07	0.00
JPN 10 yr	0.43	0.40	0.02
JPN 30 yr	1.28	1.25	0.03
GER 2 yr	2.90	2.84	0.06
GER 10 yr	2.52	2.47	0.05
GER 30 yr	2.66	2.62	0.04

Prices are latest for edition
Data provided by Morningstar

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INTERNATIONAL

Clean power

Solar investment set to exceed oil spending

Energy agency head says historic shift will help to curb global emissions

TOM WILSON — LONDON

Solar power investment is set to outstrip spending on oil production this year for the first time, the head of the International Energy Agency has said, highlighting a surge in clean energy development that will help curb global emissions if the trend persists.

"If these clean energy investments continue to grow in line with what we have seen in the past few years . . . we will soon start to see a very different energy system emerging and we can keep the 1.5C goal alive," Fatih Birol, executive director of the IEA, told the Financial Times, in reference to the Paris Agreement target to limit the global temperature rise.

This year, $1.7tn is forecast to be spent on clean technologies compared with $1tn on fossil fuels. Five years ago, the $2tn in annual energy investment was split evenly between fossil fuels and clean technology, such as renewables, electric vehicles and low-emission fuels.

Birol said a "new global clean energy economy is emerging", adding: "For a man like me who makes his hands dirty with data every single day, this is a striking, dramatic shift."

The increased spending on clean energy is being driven by a strong rebound in economic growth following the Covid-19 pandemic, as well as concerns about price volatility and energy security sparked by Russia's full-scale invasion of Ukraine last year, according to the IEA's annual World Energy Investment report, published yesterday.

Enhanced policy support such as the US Inflation Reduction Act, which has provided $369bn of subsidies and tax credits for clean energy technologies, had also helped, the report said.

> 'We will soon start to see a very different energy system emerging and we can keep the 1.5C goal alive'

As a result, the IEA expects annual clean energy investment to jump 24 per cent compared with 2021, while spending on fossil fuels will rise 15 per cent, it added.

Solar power was the "star of global energy investments", with total spending in 2023 forecast to reach $382bn, exceeding the $371bn expected to be spent on oil production, said Birol. In 2013, $636bn was spent on oil production and $127bn on solar power.

The IEA chief attended the recent G7 summit in Japan and said he was encouraged by the level of alignment on energy matters between G7 members and invited countries such as Brazil, India and Indonesia. "I had rarely seen such a homogeneous view of the future of energy markets," he said.

But to maintain the momentum, G7 leaders needed to ensure current spending on clean energy was broadened to more emerging and developing countries, said Birol.

"If there is one challenge, it is whether or not the emerging countries will be able to finance their clean energy transition alone," he added. Despite the boom in clean energy spending, global energy-related carbon emissions grew 0.9 per cent last year to a record 36.8bn tonnes, the IEA said in March.

Birol also called on national and international oil companies to direct more of their spending towards low-carbon energy solutions.

Total investment by the oil and gas industry on low-emissions sources of energy is less than 5 per cent of the total spent on fossil fuel production, according to IEA analysis.

GDP figures

Sluggish data raises fears Germany will be hit by long recession

MARTIN ARNOLD — FRANKFURT

German gross domestic product shrank in the first quarter, revised figures showed yesterday, as weak consumer and industrial activity raised fears that Europe's largest economy would suffer a sustained recession.

Destatis, the federal statistical agency, said the economy contracted 0.3 per cent in the three months to March, after a downward revision from its initial estimate of zero growth. Some economists had expected the fall after industrial production suffered its biggest drop for 12 months and retail sales fell sharply in March.

Economists said the second consecutive quarterly decline in GDP — output contracted by a downwardly revised 0.5 per cent in the final quarter of last year — met the technical definition for Europe's industrial powerhouse to be in a recession.

Most analysts expect Germany to achieve weak growth this year — the country's council of economic experts recently forecast 0.2 per cent growth. But many economists worry that Europe's largest economy will remain stuck in the doldrums.

"Unfortunately, a fundamental improvement in the economy is not in sight," said Jörg Krämer, chief economist at German lender Commerzbank. "All important indicators in the manufacturing sector are pointing downwards," he added, predicting GDP would decline 0.3 per cent this year and be flat next year.

The main cause of the disappointing performance in the first quarter was a drop in household consumption, which fell 1.2 per cent from the previous quarter, as high inflation and rising interest rates eroded purchasing power.

Car sales fell, reflecting a reduction in grants and subsidies on purchases of plug-in hybrid and electric vehicles since the start of the year.

Government spending was also 4.9 per cent lower. But private sector investment rose in the first quarter after a weak second half of 2022, driven up 3.9 per cent by higher construction activity amid mild weather. Trade also made a positive contribution as imports fell 0.9 per cent and exports rose 0.4 per cent.

"We expect further economic weakness in both Germany and the eurozone as a whole in the coming quarters," said Franziska Palmas, an economist at research group Capital Economics, predicting a slight second-quarter rebound, followed by "further contractions".

The IMF expects Germany to be the weakest performer among the world's big economies this year, with output forecast to shrink 0.1 per cent.

"Germany must not become the sick man of Europe again," said Reinhard Houben, economic spokesman for the parliamentary group of the liberal Free Democrats, which are part of the governing coalition. Plans to cut bureaucracy and reform tax rules would make the country "more attractive again as a business location", he said.

The downturn in the past six months means German GDP is still languishing below pre-pandemic levels, unlike the overall eurozone economy. Destatis said first-quarter output was down 0.5 per cent from the same period a year earlier.

US politics. Debt ceiling talks

McCarthy faces test to keep Republicans united

House Speaker walks party tightrope as deadline for potential default draws near

LAUREN FEDOR — WASHINGTON

Kevin McCarthy, Republican Speaker of the House, has a tendency to liken himself to Babe Ruth, the US baseball legend. In a speech at the New York Stock Exchange last month, he quoted the sports hero, saying: "You just can't beat the person who never gives up."

McCarthy, 58, made history in January when it took 15 rounds of voting in a tortuous week of wrangling with his Republican colleagues to elect him Speaker.

Many thought he would not last more than a few weeks. Nearly six months later, however, the congressman from Bakersfield, California, has surprised his doubters by not only holding on to the Speaker's gavel but also uniting an often fractious Republican conference.

In a bizarre display of support earlier this week, House Republicans held a fundraising auction for McCarthy's used cherry lip balm, with Georgia congresswoman Marjorie Taylor Greene placing a winning bid of $100,000.

"Kevin McCarthy has over-performed," said Carlos Curbelo, a former Republican congressman from Florida. "He came into this fight as a big underdog who barely got elected Speaker. He has managed to keep his conference not just united, but fairly subdued."

He now faces his toughest challenge yet, as he seeks to broker a deal with President Joe Biden to raise the debt ceiling and get any agreement through Congress without invoking the ire of the right flank of his party ahead of a looming June 1 deadline.

If he fails, McCarthy could go down in history as the Speaker who wreaked economic havoc by driving the government into its first ever default.

"[McCarthy] couldn't not exceed expectations. But that is because they were so low," said Doug Heye, a former aide to Eric Cantor, who was the Republican majority leader in the House during the last big debt ceiling stand-off in 2011.

"The [Republican] conference at this point is unified behind him, or as unified as it can be," Heye added. "He is in a situation where we can get a deal, and if that happens, he deserves a lot of credit."

In the spotlight: Kevin McCarthy leaves after conversing with media in the Capitol building in Washington on Wednesday
Kevin Dietsch/Getty Images

McCarthy notched a legislative victory last month when he brokered a deal among House Republicans to pass the Limit, Save, Grow Act, a bill that would raise the debt ceiling into next year, impose steep cuts to federal spending and roll back many of Biden's signature policies.

The bill was dead on arrival in the Democrat-controlled Senate, but it was the catalyst for tense talks with the White House that have consumed Washington and put financial markets on tenterhooks over whether the sides will be able to strike a deal and avert a default.

"Democrats never expected [McCarthy] to pass a bill . . . I never expected him to pass a bill," said Mick Mulvaney, the former Republican congressman who was former president Donald Trump's chief of staff. "But he was able to get that done, and that completely changed the dynamic, and I think it caught the White House off guard," he pointed out.

The Speaker is now walking a political tightrope as he seeks to strike a deal with Biden without alienating too many members of his own party. Members of the House Freedom Caucus, a group of rightwing Republicans, have repeatedly said they will not support any compromise, and Chip Roy, the congressman from Texas, on Wednesday encouraged fellow Republicans to "hold the line" against Biden and the Democrats.

> 'I am not going to give up. We are not going to default. We're going to solve this problem'
> Kevin McCarthy

At the same time, many Democrats have also called on Biden to walk away from the negotiating table, and called on the president to invoke the 14th amendment to the US constitution to unilaterally disregard the debt ceiling.

Any deal on the debt ceiling would need to be passed by the majority of lawmakers in the House of Representatives, which Republicans control by a razor-thin margin, before it heads to the Senate. Some congressional aides are already doubting whether a bill can pass both chambers of Congress by the end of the month, reviving the prospect of a short-term extension to the deadline.

Even if a deal wins bipartisan support, McCarthy cannot afford to anger too many members of his own conference, in large part because in exchange for being elected Speaker in January, he allowed for a rules change that means any one House member can call to "vacate the chair", or invoke a vote of no confidence in his leadership.

The most rightwing House Republicans have made no secret of their willingness to weaponise that change. Matt Gaetz, the Republican congressman from Florida, on Tuesday told Semafor, the news website: "I believe the one-person motion to vacate has given us the best version of Speaker McCarthy, and I think he's doing a good job."

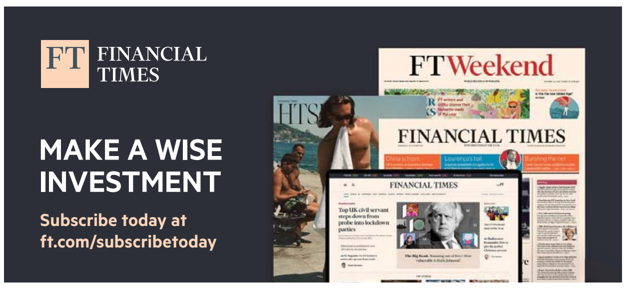
While the White House has continued to insist talks with Republicans remain productive, Biden administration officials and Democrats on Capitol Hill have grown increasingly frustrated that Republicans have rejected their offers, including a freeze on discretionary spending for next year.

"It's increasingly clear to me that House Republicans seem intent on crashing the economy and defaulting on our debt. That's wrong. It will hurt everyday Americans, and it's time to end the brinkmanship," said Hakeem Jeffries, the Democratic minority leader of the House.

But McCarthy insists he will clinch a deal and hold on to the speakership.

"I am not going to give up," McCarthy told reporters on Capitol Hill on Wednesday. "We are not going to default. We're going to solve this problem."

"I will stay with it until we can get it done," he added.



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Twitter announcement

DeSantis presidential campaign launch suffers technical woes

LAUREN FEDOR — WASHINGTON

Ron DeSantis's 2024 presidential campaign started not with a bang but a whimper after the Florida governor's launch event with Twitter owner Elon Musk was marred by technical glitches on the social media platform.

The campaign and Musk had promoted a live launch on the platform's audio streaming feature, Twitter Spaces. Wednesday's event started nearly half an hour late after Musk failed several times to begin the conversation.

More than half a million Twitter users who tuned in at 6pm local time heard stretches of silence, with Musk saying, "servers are straining somewhat", and "I think we are back online?"

In the end, Musk and co-host, Paypal's founding chief operating officer David Sacks, started the broadcast by congratulating DeSantis on "breaking the internet". DeSantis then launched into a truncated version of his stump speech, telling listeners: "I am running for president of the United States to lead our great American comeback."

The conversation continued with a question and answer session peppered with disruptions in the audio feed.

It was an inauspicious start for the Republican governor, who has slipped in opinion polls and faced growing scepticism from big donors who question his stand on social issues such as abortion. It was also a high-profile setback for Musk, a self-described free speech absolutist and the chief executive of Tesla who bought Twitter for $44bn last year.

Even so, DeSantis heaped praise on Musk: "You had to put your money where your mouth is, as you recognised you can't have a free society unless we have the freedom to debate the most important issues that are affecting our civilisation. What was done on Twitter is significant for the future of our country." He added: "We can't have a society in which government is colluding with major tech platforms to enforce an orthodoxy."

DeSantis's allies said the choice of launch on Twitter underscored his unconventional approach and willingness to buck the status quo.

Some fellow Republicans are sceptical of DeSantis's leadership, however, including his feud with Disney over the "Don't Say Gay" bill. The media company has filed a lawsuit against the governor and his administration.

DeSantis defended his approach to Disney during the broadcast, saying: "Some of these Republicans that are taking Disney's side are basically showing themselves to be corporatists . . . We're going to defend our actions because we think we have the right to do what we did."

Bryan Griffin, press aide to DeSantis, tweeted after: "There was so much enthusiasm for Governor DeSantis' vision for our Great American Comeback that he literally busted up the internet.

Shaky start: Ron DeSantis has slid in opinion polls and faces donor doubts

Washington is next. $1 million raised online in one hour . . . and counting!"

Earlier on Wednesday, DeSantis filed paperwork with the Federal Election Commission to formally launch his campaign, ending months of speculation over when he would challenge Donald Trump for the Republican presidential nomination in 2024.

DeSantis also posted a slick, short video to social media, standing alone in front of an American flag while an orchestral soundtrack swells.

"Decline is a choice. Success is attainable. And freedom is worth fighting for," DeSantis says in the ad. "I'm Ron DeSantis, and I'm running for president to lead our Great American Comeback."

Trump remains the frontrunner in an increasingly crowded field of Republicans vying for the party's nomination. The latest RealClearPolitics average of opinion polls shows the former president has the support of more than half of Republican voters, followed by DeSantis, with just over 20 per cent.

The Trump camp hit at the launch quickly: "Glitchy. Tech issues. Uncomfortable silences. A complete failure to launch. And that's just the candidate!"

INTERNATIONAL

Xi keeps Putin waiting on gas pipeline as Kremlin bargaining power weakens

Sanctions-hit Moscow seeks new outlets for its energy but Beijing appears to be seeking lower price

ANASTASIA STOGNEI — RIGA
JOE LEAHY — BEIJING
YUAN YANG — LONDON

Russia's prime minister left China this week without a reward that Moscow has long prized: a clear commitment from Beijing on Power of Siberia 2, a grand gas pipeline project to transform energy flows across Asia.

Conceived more than a decade ago to help Russia "turn to the east", the pipeline through Mongolia to China was a way to diversify gas sales, bolster revenues and give the Kremlin more diplomatic clout.

That project, first dubbed "Altai" after the mountainous region of southern Siberia, has taken on new urgency since Russia's invasion of Ukraine, with Moscow seeking new outlets for gas that flowed to Europe before sanctions stood in the way.

The hitch for Moscow is that Beijing, a crucial economic partner since the full-scale invasion, appears in no rush to engage. It is a reticence that analysts say shows how weak wartime Moscow's bargaining power has become when dealing with its economically more powerful neighbour.

Another Russian pipeline, the Power of Siberia, was launched in 2019 and is expected to reach its maximum capacity of 38 billion cubic metres per year by 2024. But this pipeline relied on developing new gasfields in eastern Siberia, which had never sent the fuel to Europe, making it less useful to Moscow's diversification strategy.

The PS-2, in contrast, aims to supply China with gas from the north-eastern Yamal peninsula, which historically served the European market through several pipelines, including the Nord Stream, from which supplies had ceased to flow in disputes with the EU even before it was sabotaged last year.

Seeking alternatives has moved from being a strategic choice on Russia's part to its only option.

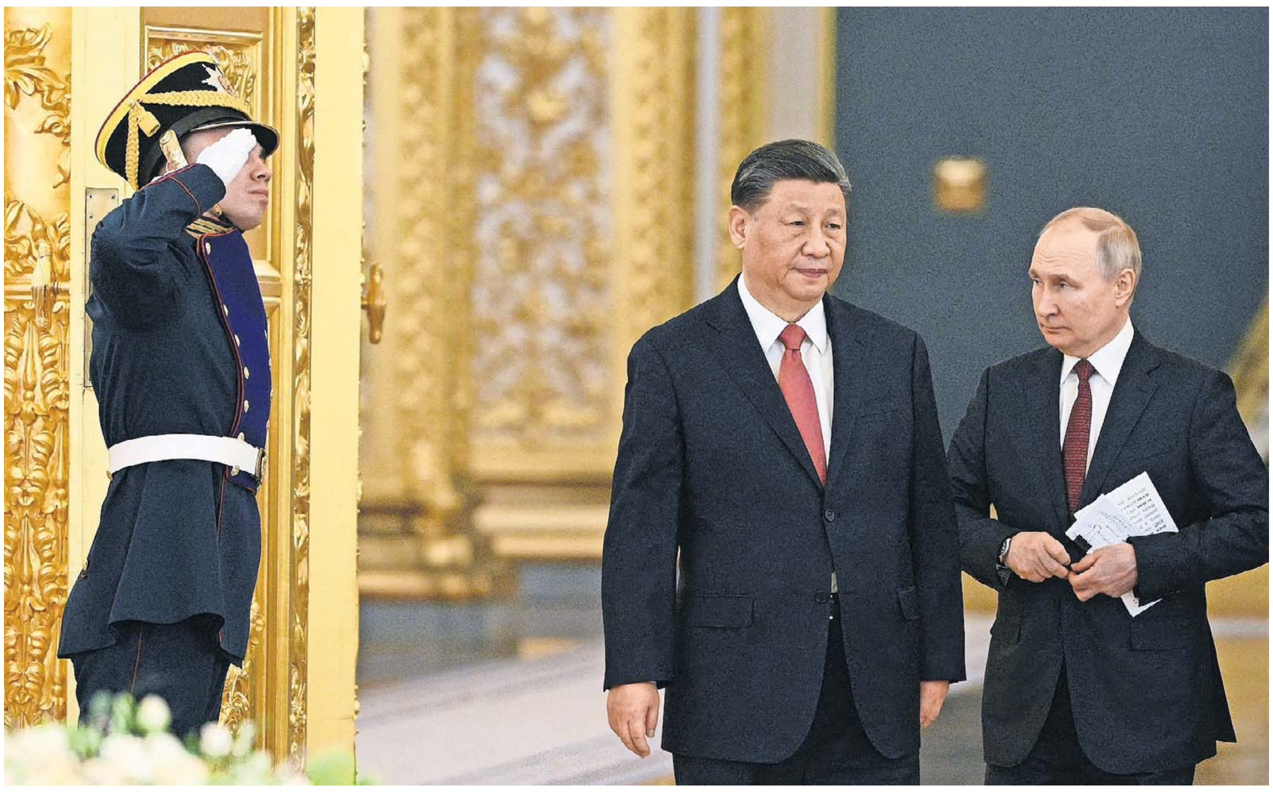
"Beijing has a history of prolonging negotiations to get a better deal — this was the case when the Power of Siberia 1 was negotiated," said Alicja Bachulska, a China policy expert at the European Council on Foreign Relations. "As Russia's aggression against Ukraine has turned into a protracted war, Beijing believes that its bargaining position vis-à-vis Moscow can only get stronger."

Taking its time might enable China to secure a lower price for gas through the pipeline, she added.

Sino-Russian talks over the pipeline had intensified in the months before the war. During the Beijing Olympics, presidents Vladimir Putin and Xi Jinping signed a 25-year contract for the far-eastern route and "definitely talked about the PS-2", said Tatiana Mitrova, a research fellow at Columbia University's Center on Global Energy Policy.

But since then, while Russia has repeatedly emphasised its readiness to launch PS-2, Beijing has been conspicuously silent. While visiting the Kremlin in March, Xi skirted around PS-2 — while Putin spoke about the plan as if it were a done deal, saying "practically all parameters . . . have been finalised".

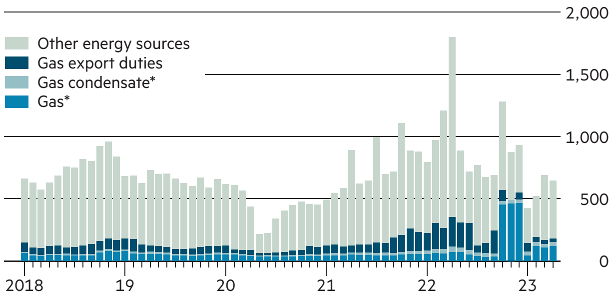
Careful not to depend too heavily on any one supplier, China had been active in securing natural gas contracts for larger quantities than it actually needed, said Gergely Molnar, the International Energy Agency gas analyst.



Moscow trip: Vladimir Putin, right, plays host to Xi Jinping in the Kremlin two months ago, when China's president skirted around the Power of Siberia 2 project
Alexey Maishev/Sputnik/AFP/Getty Images

Gazprom pipelines across Asia

Gas makes up about a quarter of Russia's energy revenues
Monthly energy revenue by source (Rbs bn)



Sources: Petroleum Economist; Gazprom; FT research; Russian Ministry of Finance

* Via mineral extraction tax

China relied on Russia for just over 5 per cent of its gas, he said. With planned increases in supply through existing routes from Russia, agreement on PS-2 would increase that share to about 20 per cent by the early 2030s.

China does stand to gain from the pipeline. It is keen to diversify the country's energy sources, especially overland supplies from Russia and central Asia that would be more secure than sea routes in the event of geopolitical or military tensions with the west.

"The transportation of gas is safer to go through Russia, through land transport, compared with [the] faraway Middle East," said Lin Boqiang, the head of the China Institute for Studies in Energy Policy, Xiamen University.

There are geopolitical complications to agreeing the deal against the backdrop of the war in Ukraine. But some China policy experts believe a deeper energy partnership with Russia is only a matter of time. "No one should really expect that China should cut off its access to Russian oil and gas," said Victor Gao, vice-president of the Beijing-based Center for China and Globalization. "This kind of trade is normal, it's peaceful trade."

He said the huge energy trade between Russia and China would "eventually lead to a reconfiguration of the oil and gas supply in the world . . . and the west should not be surprised by that".

For Russia, the construction of the PS-2 is the only way to compensate for at least part of the EU market it has lost. That market accounted for most of the gas produced from the Yamal peninsula. But this means there is no particular incentive for China to agree to the new pipeline now.

China, indeed, has been busy developing other overland supplies. At a summit with central Asian countries last week, Xi championed the construction of the so-called Line D pipeline, which would be China's fourth in the region, bringing gas from Turkmenistan.

About 35 bcm of gas were exported to China via three pipelines from Turkmenistan last year. That compares with 16 bcm from Russia via Power of Siberia. Even with the PS-2 pipeline in place, Russia would not be able to match what it has lost in European sales.

> 'Beijing has a history of prolonging negotiations to get a better deal'
> Alicja Bachulska, China expert

The price of this gas would also be lower. Gas sent through the first Power of Siberia pipeline — on terms struck when Russia's negotiating position was much stronger — is priced well below the European market rate.

Sergei Vakulenko, a former strategy director for Gazprom, said Russia failed to even match the price China paid for pipeline imports from other suppliers.

Given these factors, PS-2 would generate an estimated $12bn a year for Gazprom, of which the state would receive about $4.6bn in duties and tax, according to Ronald Smith, senior oil and gas analyst at BCS Global Markets.

This sum, equivalent to less than half of Russia's average monthly energy revenues in 2023, would hardly be transformative. But the Kremlin is desperate for additional revenue as its budget deficit balloons, its war costs increase and its European gas sales wane. "This gas has nowhere else to go," said Mitrova.

Arrivals data

Sunak under pressure after net migration to UK reaches all-time high

DELPHINE STRAUSS, GEORGE PARKER AND LUCY FISHER — LONDON

Net migration to the UK rose to an all-time high of 606,000 in 2022, piling pressure on Rishi Sunak's government despite the country's statistical agency saying the numbers were starting to level off.

Conservative MPs reacted angrily to the news, warning that high levels of legal immigration were exacerbating a housing shortage and would heighten concerns among voters about irregular migration in small boats.

Yesterday's record figures fell short of some predictions that net migration could top 700,000 last year. But they contrasted with the Conservatives' 2019 manifesto pledge — reaffirmed by Sunak — that "overall numbers will come down". The prime minister said yesterday: "Numbers are too high, it's as simple as that."

The Office for National Statistics said the total, which compares with a 2021 net immigration figure of 488,000, was driven by people coming to the UK from outside the EU, including from Ukraine and Hong Kong. Students accounted for around a third of net migration and work-related routes for a quarter, while humanitarian visa schemes and refugee resettlement made up roughly a fifth. Asylum applicants, included in the ONS figures for the first time, made up 8 per cent of non-EU immigration.

Jay Lindop, director of the ONS Centre for International Migration, said the numbers reflected "unprecedented world events" combined with the lifting of Covid-19 restrictions, but that the evidence suggested immigration had slowed, "potentially demonstrating the temporary nature of these events".

Ministers hope numbers will fall before the next election, expected late next year. Analysts say this is likely, as arrivals from Ukraine have slowed, while students who came in 2021 are starting to return home. Home Office figures for skilled worker visas also suggest overseas hiring is slowing — except in the NHS and care sectors, where numbers continue to rise.

"The narrative that immigration is spiralling ever upwards or is out of control is simply false," said Jonathan Portes, professor at King's College.

Marley Morris, associate director for migration at the think-tank IPPR, said ministers should avoid "knee-jerk reactions" as net immigration was stabilising and there was "strong public support" for its main drivers — NHS recruitment, international students and humanitarian routes. But Sunak faced a backlash from Tory MPs. Louie French, MP for Old Bexley and Sidcup, said: "Unsustainable levels of migration continue to have a significant impact on housing in the South East."

Sunak maintained that measures announced this week to stop overseas students from bringing family members with them would reduce levels over time and urged the public to "rest assured" that he had a grip on the issue. But Kate Shoesmith of the Recruitment and Employment Federation said Britain should look to "attract and help work-ready immigrants to fill some of the 1.7mn jobs advertised across the UK".

Law and order

New York divided over police reform against backdrop of Floyd anniversary

JOSHUA CHAFFIN AND TAYLOR NICOLE ROGERS — NEW YORK

The spirit of George Floyd is never far from Bridgette Stewart, an anti-violence activist from a US group, Agape Movement, that tends George Floyd Square in Minneapolis.

But it came rushing back to her earlier this month when another black man, Jordan Neely, died in circumstances eerily similar to Floyd's. Homeless and mentally ill, Neely was threatening passengers on a New York City subway car when a white former Marine put him in a chokehold that caused his death. As with Floyd, it was caught on a mobile phone and caused an instant uproar.

"What happened with Jordan, all that did was rip the Band-Aid off and expose an open wound," Stewart said.

Floyd's death, three years ago yesterday, highlighted police brutality against black men, ushered the Black Lives Matter movement into the mainstream and galvanised calls for police reform.

But since Floyd's death, the public mood has shifted, with rising crime and disorder in many big cities stoking fear and upending talks about policing and public safety. That change was evident in the divided reaction to Neely's death.

Many branded the man blamed for his death, Daniel Penny, as a dangerous vigilante in a city where poor black men can be killed with impunity, and demanded justice. Others cited him as a hero stepping into a lawless void left by a force made hesitant after Floyd's death.

"We're still divided," said Richard Aborn, a former prosecutor who is president of the Citizens Crime Commission of New York City, a non-partisan group devoted to criminal justice reform, arguing that Floyd's killing had shattered a consensus about policing and despaired that the debate was often reduced to binary choices: either adding more police or defunding the police and spending more on social services.

"We don't have the ability to ask more nuanced questions about public safety," he said.

That division runs through Washington, where a police reform bill named for Floyd and championed by the Biden administration is all but dead. It failed to pass the previous Congress and has not even been reintroduced in this one. Among other changes, it would strip officers of the legal immunity that has shielded them from civil lawsuits.

In spite of the apparent similarities, Aborn and others warn against drawing too close comparisons between the Floyd and Neely cases. Floyd was killed by an officer while Neely died after a bystander claimed to have been protecting passengers. Neely had a record of mental illness and violent behaviour, including the assault of a 67-year-old woman as she was exiting the subway.

Penny has pleaded not guilty to manslaughter and insisted he had no racial animus. He was charged 11 days after the incident following a public outcry over the seemingly indifferent reaction by New York's mayor and local prosecutors. Legal experts say the case may turn on as yet unknown details about what preceded the altercation.

Remembrance: flowers are left at George Floyd Square in Minneapolis
Nicholas Pfosi/Reuters

Meanwhile, those inflamed by Floyd's death are grappling with an atmosphere in which fear of crime appears to be more potent than calls for reform.

That fear was evident in the four congressional seats that New York Democrats lost in November's midterm elections, in which Republicans labelled them as soft on crime. It also fuelled the stiff challenge that Lee Zeldin, a conservative congressman from Long Island, posed to state governor Kathy Hochul. Zeldin polled particularly strong in and around New York suburbs.

Sensing Democrats' vulnerability on law and order, the Republican-led House Judiciary Committee decamped to New York City last month to stage an unusual hearing to consider "victims of violent crime in Manhattan". The subtext of the hearing was that Democratic policies, including bail reform, were to blame for innocents being thrown on to subway tracks and other mayhem.

"The Democrats are in a difficult position," said Hank Sheinkopf, a political strategist. "Republicans won elections in New York because people are feeling unsafe . . . Crime and disorder are the issue, not abortion."

That extends to black adults, too. Nearly three-quarters of those surveyed told Pew Research Center last year that funding for police departments should stay the same or increase.

Josh Parker, senior counsel at the New York University School of Law's Policing Project, admitted there was now public appetite for only limited measures, such as curbs on chokeholds, as opposed to the big changes activists sought in 2020.

"We still are seeing plenty of proposals on policing reform," he said. "But the majority of those bills are Band-Aids."

Hawk Newsome, co-founder of New York City's Black Lives Matter chapter, observed: "The same black people in New York who were out marching saying 'black lives matter' turned around and elected a cop as the mayor."

That mayor, Eric Adams, is a black former police captain who presented himself as uniquely capable of containing rising crime without resorting to abusive, often racist, policing. That is, he could honour the legacy of Floyd while addressing public fears of violence on the subway and elsewhere.

Yet Adams was pilloried by progressives when he urged restraint following Neely's death. Representative Alexandria Ocasio-Cortez accused him of "demonising" the poor while students at The City University of New York turned their backs to the mayor during a talk. Adams later called Neely's death "a tragedy that never should have happened".

The debate has widened to focus on social issues vexing New York and its mayor, including the housing crisis and the failures of the mental health system.

Japan economy

BoJ fears policy error amid rising prices

Governor says actions of companies are likely to cause sustained inflation

KANA INAGAKI — TOKYO

Japan's companies are changing their behaviour on wages and prices and raising the risks of a monetary policy error, the country's new central bank governor has warned.

Kazuo Ueda vowed that the Bank of Japan would "respond quickly" if there were any signs of a structural change in price pressures across the economy, but admitted there was a chance the bank would be mistaken in its forecasts as inflation hit levels not seen in decades.

"The risk of getting [our inflation forecast] wrong is not zero," Ueda said in his first group interview since he became the first academic to take the helm of the BoJ in April.

"There is a risk that we will be late in raising interest rates if we get our future outlook wrong, and there is also the risk of prematurely doing a rate hike."

His comments highlight the unusual degree of uncertainty facing Japan's economic officials after years of an ultra-loose monetary policy to try to revive demand and shake the country out of an era of stagnant prices.

Following Ueda's first board meeting in April, the BoJ scrapped a key part of its forward guidance on interest rates, signalling the first step towards unwinding the ultra-loose regime overseen by his predecessor, Haruhiko Kuroda.

"It is quite difficult to know in advance but we will respond as quickly as possible if we spot a structural change" in price patterns, Ueda said.

Other big global central banks have underestimated the scale and persistence of inflation, causing them to raise interest rates far faster than usual.

Japan's core measure of consumer inflation, excluding fresh food and energy, rose more than 4 per cent last month for the first time in 42 years.

The BoJ has predicted core consumer prices will fall below its 2 per cent target this year, and maintained its negative interest rates and its longstanding yield curve control measures.

But in its economic outlook report last month, the bank revised upward its inflation forecast, saying it expected price rises of 2 per cent in the 2024 fiscal year, instead of its previous forecast of 1.8 per cent. It also expects 1.6 per cent core inflation in the 2025 fiscal year.

"We're starting to see activity that could lead to sustained inflation," Ueda said. "There are positive developments . . . such as companies feeling they need to raise wages in order to secure talent since others are doing the same."

Wages in Japan have remained stagnant for most of the past three decades despite an ever-tightening labour market and nearly a decade of direct government lobbying to businesses to raise wages.

However, in the wake of rising inflation triggered by the war in Ukraine and the global energy crisis, big companies have offered the biggest salary increases in decades this spring.

Ueda also said his own personal experience of paying higher fees for hotels and taxi rides signalled that inflation in Japan was spreading to the services sector, where price rises have been weak compared with the US and Europe.

He said the BoJ would continue to monitor whether inflation became stronger, broader and more sustainable.

Bilateral relations

Riyadh and Ottawa agree to restore full diplomatic ties after 2018 rift

SAMER AL-ATRUSH — RIYADH

Saudi Arabia and Canada have agreed to reinstate full diplomatic relations almost five years after Riyadh downgraded ties with Ottawa over criticism of the kingdom's human rights record.

The rapprochement comes after overtures by Saudi Arabia to settle disputes that marked the first few years of day-to-day ruler Prince Mohammed bin Salman's rise in government, as Riyadh now focuses on economic reform plans and attracting foreign investment.

The feud with Ottawa was sparked in 2018 after Canada's embassy in Riyadh wrote a Twitter post in Arabic criticising the detention of activists.

Saudi Arabia froze trade deals with Canada, withdrew its ambassador and barred the Canadian ambassador, who was travelling at the time, from returning. It also cancelled a scholarship programme under which thousands of students attended Canadian universities.

The Saudi and Canadian foreign ministries said in similar statements on Wednesday that both wanted "to restore diplomatic relations between the two countries on the basis of mutual respect and common interests".

'They're an important player and they're hard to ignore'

Former Canadian ambassador

It was not clear whether Ottawa would tone down its criticism of Saudi Arabia's human rights record, but Dennis Horak, who was Canada's ambassador at the time of the feud, told Canadian broadcaster CBC that "you can walk and chew gum at the same time".

Prince Mohammed is popular among young Saudi Arabians for introducing social reforms that ended the religious police's control over public life, but the measures have been accompanied by a crackdown on dissidents.

The spat with Canada was widely seen at the time as another erratic outburst by Prince Mohammed, who had led a military intervention against Iran-backed rebels in Yemen and a regional boycott of Qatar. He had also detained Lebanon's prime minister and forced him to resign on air.

Months after the dispute with Canada, the Saudi Arabian commentator Jamal Khashoggi was killed inside the kingdom's consulate in Istanbul, with the CIA later concluding that Prince Mohammed was responsible. He denied involvement, but the killing led to the crown prince being shunned by western capitals.

The kingdom has recently sought to turn round its image as a regional troublemaker by instigating moves to end the war in Yemen, restoring ties with arch-rival Iran and leading ceasefire efforts in Sudan with the US, drawing praise from Washington. Riyadh has also driven moves to normalise regional relations with Syria's Bashar al-Assad.

Horak said it "was about time" that Saudi Arabia and Canada restored ties, CBC reported. "They're an important player and they're hard to ignore," he told the broadcaster. "Having full diplomatic relations with them allows us to have our voices heard at senior levels, which in Saudi Arabia is what matters."

Trade. Competition

Latin America looks east for deals as US dithers

Washington rules out accords in region while China signs agreements worth billions

MICHAEL STOTT — LONDON

Ecuador president Guillermo Lasso is a US-educated, pro-business conservative. But his government has just signed a trade deal with China, and when he secured $1.4bn of debt relief last year, it was from Xi Jinping.

"Xi was very understanding," said Lasso of the Chinese president.

Experts say Ecuador's experience with China shows how the US and other western countries risk losing further ground in Latin America to Beijing unless they can offer better trade and investment opportunities.

Chinese trade with Latin America has exploded this century from $12bn in 2000 to $495bn in 2022, making China South America's biggest trading partner.

Chile, Costa Rica and Peru have free trade deals with Beijing, Ecuador inked its agreement this month and Panama and Uruguay are planning treaties.

The Biden administration, however, has ruled out new trade agreements, frustrating Latin American nations. The EU has spent 20 years negotiating a free trade deal with the South American Mercosur bloc but has yet to ratify it.

Eric Farnsworth, who heads the Washington office of the Council of the Americas, a regional business group, said there was growing bipartisan concern about the lack of an active US trade agenda for Latin America. "You have to compete economically in the western hemisphere or you'll lose it," he said. "And we're not competing effectively."

The US has a patchwork of six existing free trade agreements covering 12 Latin American countries, but the lack of a common framework has led to struggles to integrate regional value chains.

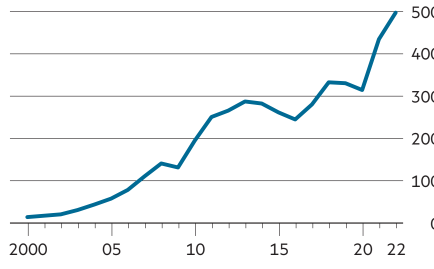
Ricardo Zúniga, principal deputy assistant secretary in the US state department's western hemisphere bureau, conceded that "our political reality right now is that there's not support for expansion of free trade agreements". The US was focusing on "taking advantage of trade facilitation and . . . nearshoring opportunities".

Trade is not the only issue. Beijing has won friends in Latin America by building and financing roads, bridges and airports. More than 20 Latin American and Caribbean nations have joined China's Belt and Road Initiative on infrastructure, and China has lent more than $136bn to Latin American governments and state companies since 2005.

Resource rich: visitors inspect a brine pool at a lithium mine on the Atacama salt flat in Chile
Cristobal Olivares/Bloomberg

The US and EU have been focusing on corruption, democracy, the environment, human rights and the risks of doing business with China. The EU's Global Gateway initiative, envisioned as a response to the BRI, has pledged just $3.5bn to Latin America.

Chinese trade with Latin America has surged
Imports and exports ($bn)



Also includes the Caribbean as per the IMF definition of 'western hemisphere"
Source: IMF

Among US talking points with Latin America is an entreaty to avoid 5G phone networks built by China's Huawei, which is under Washington sanctions, but US and European alternatives to Huawei are often more expensive.

A Latin American foreign minister last year compared the US approach to the Catholic religion, saying that "you have to go to confession and you still may end up being damned". The Chinese, by contrast, were like the Mormons who "knock on your door, ask how you are feeling" and "want to help".

Zúniga rejected the criticism that the Biden administration overemphasised human rights. "The erosion of human rights and economic performance go together," he said. "When you have leaders that concentrate powers in their own hands, inevitably they start making economic decisions that are not actually consistent with the national interest."

Yet the contrast between visits made this year by Brazil's newly elected president, Luiz Inácio Lula da Silva, to the world's two top powers was telling.

Lula visited Washington with a small delegation for one day in February and met President Joe Biden. The White House said talks focused on democracy, human rights and climate change. Trade and investment were mentioned but no deals were announced.

'It's all very well to talk about investment but US and European companies are shedding their assets in Latin America'

In April, the Brazilian leader spent three days in China, bringing dozens of business leaders and state governors. About 20 accords worth $10bn were signed. Lula toured Huawei's research centre in Shanghai, saying afterwards that "no one will prohibit Brazil from improving its relationship with China".

Brazil also signed accords to pursue semiconductor technology, renewable energy and satellite surveillance. The deals form part of its strategy of "active non-alignment", which resists taking sides between the west and China or Russia, including over the Ukraine war.

While China has been steadily investing and building trade, the US has launched initiative after initiative, to little avail. One obstacle is funding. The DFC, the main US development finance institution, is required to prioritise low- and lower-middle income countries, which rules out most of Latin America. Multilateral development banks also have restrictions on lending to upper-middle income and high-income nations. China has no such issue.

European leaders are meanwhile trying to remedy nearly a decade of neglect by convening a summit with Latin American presidents in July. But one EU diplomat admitted: "If we fail, there may not be another summit. It's a last chance to relaunch the relationship."

At the same time, European and US companies have been selling assets in the region, put off by its fraught politics and keen to refocus on "core" geographies. The Chinese are ready buyers.

"It's all very well to talk about investment but US and European companies are shedding their assets in Latin America," said Margaret Myers of the Inter-American Dialogue think-tank in Washington. "We have to create incentives for them to stay."

Brazil's finance minister, Fernando Haddad, complained while in Beijing: "We're almost going through a period of US disinvestment, with companies leaving the country." Ford is among them; it is discussing selling a former plant there to China's BYD to build electric vehicles.

"We are giving lots of directions, mandates and conditionality," Farnsworth concluded of the US strategy in the region. "What's missing is market access and investment. The Chinese say, 'We don't care how you run your country. Just let us take your lithium'."

Default threat

Pakistan pins hopes on Chinese help to stave off debt crunch

FARHAN BOKHARI — KARACHI
BENJAMIN PARKIN — NEW DELHI

Pakistan expects China to roll over more than $2bn in debt due next month, but is still bracing itself for other repayment deadlines that risk tipping the country into default.

With a crucial IMF lending programme stalled, Pakistan has about $3.7bn in overseas debt due this month and in June against its current foreign reserves of just $4.3bn.

Two senior Pakistani officials said Beijing had committed to help the country meet two crucial debt repayments in June worth $2.3bn in total by providing fresh funds immediately after Pakistan made the payments. The refinancing of the commercial loans worth $1.3bn and a Chinese government loan of $1bn would help Pakistan avert immediate default, the officials said.

China has already rolled over some loans to Pakistan this year. Chinese foreign minister Qin Gang also reiterated Beijing's financial support on a visit to Pakistan this month. Several analysts said they expected the relief from China — one of Pakistan's closest allies — to come through, but warned it would not remove the risk of default.

"There's no way that the Chinese . . . will walk back from Pakistan at this time," said Uzair Younus, director of the Pakistan Initiative at the Atlantic Council, a Washington-based think-tank, referring to the June debt deadlines. But he added that a severe shortage of external financing had resulted in "economic shock going through the entire society".

Pakistan, which has long relied on lenders such as the IMF and China to finance its budget deficits, is trapped in one of the worst economic crises in its history.

The collapse in foreign reserves, now only enough to finance about a month of imports, has led to severe import shortages. Record-high consumer price inflation, which hit 36 per cent in April, has eroded living standards and exacerbated poverty in the country of more than 220mn people.

Central bank data shows Pakistan's foreign debt has roughly doubled since 2015 to more than $120bn. The increase has been fuelled by rising commodity import bills, borrowing for projects including those that are part of China's Belt and Road infrastructure initiative, and the fallout of the Covid pandemic.

The Pakistani officials said they expected to receive up to $400mn from foreign donors following pledges to finance recovery from devastating floods last year.

But the country has for months been unable to resume a stalled $7bn IMF programme that many analysts say is a crucial first step to turning round its economic situation. Pakistan revised its growth forecast for 2023 to 0.29 per cent yesterday, down from 2 per cent and trailing the IMF estimate of 0.5 per cent.

Prime Minister Shehbaz Sharif's government has fiercely resisted some of the measures the IMF has demanded, such as tax increases and subsidy cuts. While it eventually agreed to some conditions, officials and analysts said the two sides had also clashed over how Pakistan should build up its foreign reserves.

But many analysts say an IMF deal is crucial to restore investor confidence and would help unlock further financing from other international partners such as Saudi Arabia or the United Arab Emirates.

They add that, with officials estimating that Pakistan needs to repay about $25bn in debt in the financial year that starts in July, the country will probably require further borrowing and potentially a new IMF programme if it is to stave off default.

"We are at the worst financial position in our history [in terms] of sustainability of balance of payments," said Hafiz Pasha, a former finance minister. "This time we will need an extended arrangement with the IMF for restructuring and reprofiling of our debt."

Yet Pakistan's political crisis risks throttling any chance of an economic turnround. Sharif's government, with the backing of the powerful military, is locked in a stand-off with former prime minister Imran Khan ahead of national elections due by October.

Additional reporting by Joe Leahy in Beijing

Manhunt

Rwandan genocide fugitive arrested in South Africa

JOSEPH COTTERILL — JOHANNESBURG

A Rwandan fugitive wanted for his role in the 1994 genocide against the country's Tutsi population has been arrested in South Africa, according to the UN tribunal leading efforts to hunt down the remaining figures accused of instigating the mass killings.

Fulgence Kayishema was detained in the western town of Paarl, not far from Cape Town, almost three decades after he allegedly organised the killing of more than 2,000 refugees inside a church during the genocide, the court said yesterday.

The operation by South African police and a UN team is another boost for the international manhunt to trace Africa's most wanted men and seek closure for victims of the genocide, after some key successes in recent years.

"Fulgence Kayishema was a fugitive for more than 20 years. His arrest ensures that he will finally face justice for his alleged crimes . . . justice will be done, no matter how long it takes," said Serge Brammertz, the tribunal's chief prosecutor.

The tracking down of Kayishema follows the arrest in 2020 of Félicien Kabuga, an alleged financier of the killings due to go on trial in The Hague.

Kayishema's arrest leaves three fugitives indicted by the tribunal at large.

His capture highlights how the closing stages of the hunt for the genocide's last suspects has come to depend on local law enforcement in the African countries where most are believed to have fled undercover.

"Kayishema's arrest demonstrates yet again that justice can be secured, no matter the challenges, through direct co-operation between international and national law enforcement agencies," Brammertz said.

Kayishema will be tried in Rwanda after his case was referred to the country in 2012.

Rich pickings Economic squeeze, US-China tension and war in Europe fail to stem luxury sector bullishness PAGE 6

Companies & Markets

Green alliance faces crisis as top European insurers quit

- Departures follow US political attacks
- Antitrust fears hit net-zero initiative

IAN SMITH AND KENZA BRYAN — LONDON

Three of Europe's biggest insurers have quit the Net-Zero Insurance Alliance, as growing US political pressure and legal fears plunge the climate initiative into crisis.

Axa, the group's former chair, Allianz and Scor said yesterday that they were leaving the NZIA, which is one part of Mark Carney's umbrella group Glasgow Financial Alliance for Net Zero, created by the former Bank of England governor ahead of the UN climate summit held in Glasgow in 2021.

The departures bring the total number of large insurers to have left the NZIA to seven, severely curbing its collective power and posing a question over its future. Its website listed 23 members yesterday.

> 'We must wonder whether ditching of the alliance has more to do with fears of losing business in the US'

Gfanz and its members have been attacked by Republican politicians in the US, who are targeting collective climate action groups they perceive to be unfairly hitting the oil and gas industry.

Other than a high-profile departure from the US asset manager Vanguard in December, Gfanz's asset management, banking and asset owner subgroups have mostly weathered the storm.

However, its insurance arm, the NZIA, has struggled to gain members outside of Europe and Asia. And earlier this month, its members were sent a letter from US state attorneys-general raising "serious concerns" over whether the alliance complied with antitrust laws.

Munich Re, one of the world's biggest reinsurers and a founding member of the NZIA, quit the group in late March. Its chief executive said he did not want to expose the group to "material antitrust risks". Zurich, an insurance group, and Hannover Re, another reinsurer, left in April. Reinsurer Swiss Re also left earlier this week.

"As the Net Zero Insurance Alliance disintegrates before our eyes, we must ask why these huge companies with their hordes of lawyers did not see antitrust issues as a major obstacle when they founded the alliance," said Patrick McCully, senior analyst at the non-profit Reclaim Finance. "And we must wonder whether their ditching of the alliance has more to do with fears of losing business in the US than real legal jeopardy."

Two people briefed on the decision by the insurers to quit said they did not think the initiative, which has considered competition issues from the start, would lose a legal fight, but feared the distraction it would cause. "This is a battle that insurers can spare themselves," said one.

European governments have also privately expressed concerns that insurers in the NZIA could cause the cost of energy to rise if they collectively stopped underwriting fossil fuels, according to a person close to the Gfanz leadership team. "For national security [reasons] they are worried about keeping the lights on," the person said.

France's Axa said yesterday that it would "continue its individual sustainability journey, as an insurer, an investor and a responsible company".

Allianz said it remained "fully committed" to a parallel organisation for asset owners.

Reinsurer Scor's departure was announced by its new chief executive at yesterday's AGM, alongside a set of new climate pledges.

Gfanz did not immediately respond to a request for comment.

Regulatory clash OpenAI chief warns of exit from EU if legal 'guardrails' prove too onerous

Sam Altman: CEO says OpenAI will 'try to comply' with the AI Act but leave the EU if it cannot — Stephen Brashear/AP Photo

RICHARD WATERS, MADHUMITA MURGIA AND JAVIER ESPINOZA

OpenAI chief Sam Altman has warned that Brussels' efforts to regulate artificial intelligence could lead the maker of ChatGPT to pull its services from the EU, in the starkest sign yet of a growing transatlantic rift over how to control the technology.

Speaking to reporters in London, Altman said he had "many concerns" about the EU's planned AI Act, which is due to be finalised next year. He pointed to a move by the European parliament to include the latest wave of general purpose AI technology, including large language models such as OpenAI's GPT-4.

"The details really matter," Altman said. "We will try to comply, but if we can't comply we will cease operating." Altman's warning came as US tech companies gear up for what some predict will be a drawn-out battle with European regulators. Google's chief executive Sundar Pichai also toured European capitals this week, seeking to influence policymakers as they develop "guardrails" to regulate AI.

The EU's AI Act was initially designed to deal with specific, high-risk uses of artificial intelligence, such as in medical equipment or granting loans and making hiring decisions.

However, the sensation caused by the launch of ChatGPT late last year has caused a rethink, with the European parliament this month setting out extra rules for widely used systems that have general applications. Proposals will be negotiated before the law comes into force by 2025.

The latest plan would require makers of "foundation models" — the large systems that stand behind services such as ChatGPT — to identify and try to reduce risks that their technology could pose in a wide range of settings. The new requirement would make the companies that develop the models, including OpenAI and Google, partly responsible for how their AI systems are used, even if they have no control over applications the technology has been embedded in.

The latest rules would also force tech companies to publish summaries of copyrighted data used to train their AI models, opening the way for artists and others to claim compensation for use of their material.

Pichai met officials in Brussels on Wednesday, including Thierry Breton, the EU's digital chief overseeing the AI Act. Breton said they discussed introducing an informal set of guidelines for AI companies, before formal rules take effect because there was "no time to lose in the AI race to build a safe online environment".

OpenAI and Google have said they back eventual regulation of AI, but first want investigation and debate.

See Opinion and Lex

Beijing rejects Microsoft's state-backed hacking claim

TABBY KINDER — SAN FRANCISCO

China has hit back at allegations by Microsoft that a state-sponsored Chinese hacking group has compromised "critical" infrastructure in the US in order to disrupt communications between the country and Asia in the event of a crisis.

In a rare announcement about a systems breach, the US technology group said the hackers, codenamed "Volt Typhoon", have operated since mid-2021. They have been able to infiltrate organisations by exploiting vulnerabilities in a popular cyber security platform called FortiGuard, Microsoft said.

"In this campaign, the affected organisations span the communications, manufacturing, utility, transportation, construction, maritime, government, information technology, and education sectors," Microsoft said. It added that the hackers' actions focused on gathering intelligence and espionage, rather than causing immediate disruption.

"Microsoft assesses with moderate confidence that this Volt Typhoon campaign is pursuing development of capabilities that could disrupt critical communications infrastructure between the United States and Asia region during future crises," Microsoft added.

The Chinese foreign ministry said the allegations "lacked evidence" and accused the US of being a "hacker empire", adding that "the involvement of certain companies" in the warning "shows the US is expanding channels for disseminating false information".

Microsoft said it had notified targeted or compromised customers and urged them to close or secure their accounts.

The US and international cyber security authorities issued a joint advisory notice about Volt Typhoon on Wednesday that also warned of Chinese state-sponsored cyber threats. Rob Joyce, cyber security director of the US National Security Agency, said: "A PRC state-sponsored actor is living off the land, using built-in network tools to evade our defences and leaving no trace behind. That makes it imperative for us to work together to find and remove the actor from our critical networks."

"Living off the land" refers to cyber attacks that use legitimate tools already installed in devices to carry out a hack, making it far more difficult to detect than traditional malware attacks.

Additional reporting by Eleanor Olcott in Hong Kong

China's car market has become a Darwinian battleground

INSIDE BUSINESS

ASIA

Edward White

In the early 1980s, Volkswagen chair Dr Carl Hahn dispatched his engineers to start manufacturing VW's boxy Santana sedans in Shanghai.

Defending the decision, the boss told his top lieutenants in Wolfsburg that Volkswagen could make great strides in China "if we could tap into its huge potential, surpassing those we made in other countries".

Hahn, who died earlier this year, was right on two fronts. The rise of China's middle class created the world's biggest auto market. And the German carmaker — one of the first foreign groups to show faith in Deng Xiaoping's new China — for decades enjoyed the billions in annual profits that came with being the country's top selling brand. His prescience, however, might not have extended to what would happen four decades later when Chinese companies started to make better, more affordable cars than their foreign rivals.

For most foreign auto groups, the good days in China are now over. The likes of VW, Ford and Toyota have been caught out in China by two fundamental transitions. First, the pace at which consumers will abandon the internal combustion engine. And second, the rise of China's homegrown electric vehicle groups.

Spurred on by the arrival of Elon Musk's Tesla models, Chinese-made EV makers have developed rapidly, armed with cutting-edge software and backed by deep domestic supply chains. They now are outselling legacy foreign rivals at an eye-watering pace. It is becoming clear to industry executives and analysts that carmakers are in a Darwinian fight for survival in China. Only a handful of EV-focused winners will stay afloat; the rest will sink in the market.

So far this year, nearly two-thirds of the total number of passenger vehicles sold in the "new energy vehicle" market — Beijing classifies this as including plug-in hybrid and battery-powered cars — were manufactured by four Chinese groups and Tesla, according to Automobility, a Shanghai consultancy. One company alone, Shenzhen-based BYD, which is backed by Warren Buffett's Berkshire Hathaway, has soaked up a staggering 38 per cent share of those sales.

> Cheap EVs are being shipped at such a rate that China is poised to overtake Japan as the world's biggest auto exporter

VW until this year sold more cars than any other company in China and still holds 13 per cent of fuel vehicle sales. BYD is now set to dethrone VW from its overall top spot in 2023. More importantly, in terms of EV market share the German group has ranked eighth this year with just 2.5 per cent of sales — and it is the only other foreign group in the top 10 after Tesla.

"Before the whole electrification happened, nobody knew who was going to be the winner," said Yuqian Ding, a veteran Beijing-based analyst with HSBC. "BYD and Tesla are the winners."

For producers still trying to make money from internal combustion cars in China, the writing is on the wall. Already nearly one in three cars sold is an EV. A price war launched by Tesla last year has only exacerbated those trends. Bill Russo, the former head of Chrysler in China who now leads the consultancy Automobility, says the remaining price advantage that fuel vehicles had over EVs is being "eroded".

Consolidation is the likely next step. In 2022, close to three-quarters of EV sales in China were concentrated among the 10 top selling EV brands, according to HSBC. That leaves nearly 60 EV car brands competing for the scraps. The future of dozens of Chinese groups looks bleak without state support. And Greenpeace has forecast that if the adoption rate accelerates to about 70 per cent by 2030, both General Motors and Volkswagen would have more than 2mn units of stranded capacity in China.

In the 1920s, US physiologist Walter Bradford Cannon termed the responses to danger as fight or flight. This is now being chewed over in global automaker boardrooms. In recent weeks VW has doubled down with billions of dollars in new EV-focused investment and vowed to produce cars that are more attractive to Chinese consumers. Ford, by contrast, is reducing spending in China, a stunning concession by a company that just a decade ago was the sixth largest player in the market.

Against this backdrop, 2023 is on track to be the first year in which Chinese brands outsell foreign cars in China.

But the multinationals' losses there are merely the opening salvo. Containers loaded with cheap, high-tech Chinese EVs are being shipped from China's ports at such a rate that the country is this year poised to overtake Japan as the world's biggest auto exporter. Carmaker boardrooms need to consider not only survival in China but the existential battle they will soon face at home.

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Financial services

PwC Australia leak staff handed 'shadow ban'

Employees implicated in tax scandal asked to avoid work on public contracts

NIC FILDES — SYDNEY

The Australian government said yesterday that all staff implicated by accountancy firm PwC in a tax leak scandal should step back from government work.

The call came a day after it had referred the affair — in which a PwC Australia partner allegedly shared confidential Treasury information about tax laws with his colleagues — to the federal police, sending shockwaves through the consulting industry.

The effect was evident when Big Four rival KPMG issued a warning to staff yesterday that the PwC scandal had "tarnished" the profession and stressed that they needed to work "lawfully, ethically and in the public interest".

The Australian government, PwC Australia's largest customer, has not banned it from public contracts, but it has implemented what one politician called a "shadow ban" by asking staff implicated in the scandal to step back from public sector contracts. Senators were also told by officials yesterday that the "ethical behaviour of a supplier" would be factored into any new contracts being awarded.

Andrew Jaggers, finance deputy secretary, told a Senate inquiry that a request for PwC staff to step back from government work extended beyond the list of 53 staff included in emails released by the Senate this month. They showed PwC partners within Australia and internationally discussing the benefit the Treasury information provided in winning new business.

> 'We have serious concerns as a public and parliament about the honesty of this organisation'

Jaggers said the request applied to anyone who was aware of the leaks or handled the fallout of the scandal.

However, the government has not requested that PwC divulge the names of those implicated beyond the handful who have been publicly named, arguing it could prejudice any criminal investigations.

Senators pressed ministers on how PwC could be trusted to act in good faith and comply with the requests, given that a full list of partners that should not be working on public sector contracts had not been provided. "We have serious concerns as a public now and as a parliament about the honesty of this organisation," said Barbara Pocock, a Greens senator.

Katy Gallagher, Australia's finance minister, said PwC must convince the government that its internal review — due to be completed by September — had dealt with the cultural problems highlighted by the scandal. "The ball is in PwC's court to assure us," she said.

The decision to refer the situation to the police has triggered a reaction from the wider consulting industry. Alison Kitchen and Andrew Yates, respectively the chair and chief executive of KPMG's Australian operations, wrote to staff yesterday urging them to re-read the firm's code of conduct.

Their email, first reported by The Australian and seen by the Financial Times, said KPMG had taken steps to reinforce its confidentiality obligations after the tax watchdog revealed the PwC situation in February and had conducted a third-party review of its processes in that area.

Personal goods. Growth prospects

Luxury industry shrugs off fears of slowdown

Spirits remain high despite share sell-off sparked by fears over demand outlook

ADRIENNE KLASA, LEILA ABBOUD AND SILVIA SCIORILLI BORRELLI — MONACO

With yachts bobbing along the Mediterranean coast and preparations for the Formula One Grand Prix under way, there was little sign of pessimism among executives at the Financial Times' Business of Luxury summit in Monaco this week, the principality a perennial favourite of the wealthy who have powered the recent boom in luxury goods.

Leading figures in the industry expressed confidence that business would continue to thrive, driven by affluent buyers globally, despite fears of a slowdown that wiped around $60bn in market value from the sector during a two-day sell-off this week.

The falls were spurred by concerns that demand — which has been driven by China and the US — could finally be moderating, as expressed in a note by analysts at Deutsche Bank as well as at a Morgan Stanley investor conference.

Shares in sector leader LVMH were down 5 per cent on Tuesday, while those of Hermès and Kering lost 6.5 per cent and 3 per cent respectively.

The trio continued to fall on Wednesday in line with declines in the wider European market, as global equity investors worried about growth prospects and the unresolved debt ceiling debate in the US.

However, speaking earlier at the FT summit, LVMH executive Sidney Toledano cautioned against such bearishness and said top brands such as Louis Vuitton or Dior would remain resilient, even if there were a slowdown, because of their global reach, "genuine creativity" and marketing knowhow.

"The world is not just China and the US," said the LVMH veteran, who used to be chief executive of Dior and now oversees a number of the group's fashion brands, including Céline and Loewe.

"Europe is doing extremely well, with the return of wealthy travellers, with Americans in France, Spain or Monaco. On top of that you have the markets of tomorrow, like India and Africa . . . and others in Asia that are thriving, like South Korea and Thailand."

He pointed to last month's reopening of Tiffany's prime store in New York as a sign of how LVMH, which recently became the first European company to achieve a $500bn market valuation, was confident in the US and investing for the long term. "The US is slowing down, yes, but only for the brands with no genuine creativity, real service or the right marketing," he said. He added: "There are many concerns out there like the tensions between the US and China, the war in Ukraine, the debt ceiling fight in the US. You can be afraid every morning, but we are not."

Jewellery on display at a Louis Vuitton outlet. Boston Consulting Group's Sarah Willersdorf, below, calls China 'the big unknown' for growth next year — Marlene Awaad/Bloomberg; Benjamin Arthur

Economists said heightened international tensions could lead to further uncertainty, with Europe vulnerable to competing interests between the two largest economies. "The situation in Europe is very uncertain, because you have the war [in Ukraine] and inflation pressures . . . plus the US and China dynamics," said Hélène Rey, a London Business School professor.

Although most analysts expect the luxury industry to continue to expand by low double digits in the coming year, it will probably be at a slightly slower pace than in recent years.

There is growing evidence that a slowdown in the US, especially among more middle-class luxury consumers who are more sensitive to changes in the economy, is under way.

"Performance in the US was relatively more subdued, albeit with management teams still pointing to a soft landing . . . driven by weakness in the aspirational consumer in particular," Morgan Stanley noted.

China is the other question mark for the industry, after zero-Covid lockdowns at the end of last year hit regional performance at most luxury companies in the fourth quarter. "It's a rebound, but a much slower one than expected . . . there is still a real psychological dent," said Michael Kliger, chief executive at luxury ecommerce retailer Mytheresa.

Sarah Willersdorf, global head of luxury at the Boston Consulting Group, said China was "the big unknown" for growth next year while noting that she was "seeing a strong recovery across most categories" in the country.

> 'The US is slowing down, yes, but only for the brands with no genuine creativity, real service or the right marketing'

Chinese tourism to Europe, another big driver for luxury shopping, has also started to return, but remains well below previous peaks. By April, travel from China was back to 47 per cent of 2019 levels, according to Morgan Stanley, but flight shortages and difficulties obtaining visas remain barriers.

"As China continues to open up, where the tourist traffic flows will be very different," Willersdorf said, noting that she expected tourists would return to Asia-Pacific first, followed by Europe, and the US last, given tensions between the two countries. "You're going to need to be able to serve a Chinese customer well in Australia, versus in US cities."

Buying trends are also changing, according to Kelly Kowal, chief platform officer at online luxury marketplace Farfetch, as Chinese consumers buy more athleisure, homeware and understated "quiet luxury" pieces such as expensive cashmere.

"We're seeing consumer trends shift a little bit, but we are seeing a turn in the market," she said.

The expansion of the Chinese middle class that has driven growth in the luxury sector in the past decade is unlikely to wither anytime soon. "We have seen the emergence of a huge middle and upper middle class in China, and we are still experiencing this momentum which is not going to end tomorrow," said Rey at the LBS.

US 'softening' at Chanel
Growth moderates after heady 2022

Chanel's growth in the US has slowed in the past six months, pointing to a moderation in luxury's biggest market following a multiyear boom.

The second-biggest luxury brand by revenues, which is privately held, was growing "in the single digits" in the US, chief financial officer Philippe Blondiaux said, after growing nearly 10 per cent in the Americas — where the US accounts for the majority of sales — last year.

"We had a softening in the US, so no different from some of our competitors, from November of 2022, and that's continued over the first few months of 2023," Blondiaux said.

Chanel posted record revenues of $17.2bn in 2022, up 17 per cent year on year.

The group is owned by the Wertheimer family, and chief executive Leena Nair has ruled out an initial public offering, insisting it will remain privately owned.

"We maintain a really strong outlook for 2023, maybe a more positive outlook than what's been reflected over the past few days," said Blondiaux, referring to a fall the sector's listed stocks this week.

"That was the analysts' beliefs and how they see the industry evolving in 2023, but as far as we're concerned, we are confident in the outlook for the year."

He did not expect a change in growth trends for the sector in 2024 and 2025. "We remain positive for the industry, but I would say even more so for Chanel."

Weakness among aspirational buyers is likely to have less of an impact on top-end brands such as Chanel than on those catering to mid-market luxury consumers.

Half of Chanel's revenue growth last year was due to price increases, the company said. Chanel has markedly raised prices for its core products since the start of the pandemic, reflecting trends across the industry, with some handbags selling for 74 per cent more in the UK than they did in 2019, according to Jefferies.

"The reality is we are the most exclusive, or one of the most exclusive, brands, [and] we intend to maintain this positioning. But going forward, the evolution of our prices will depend on two factors: inflation, and currency effects," Blondiaux said. *Adrienne Klasa*

Banks

JPMorgan can sue Staley over Epstein links

JOE MILLER — NEW YORK

Jes Staley will have to face claims that he misled JPMorgan Chase about his relationship with Jeffrey Epstein after a New York judge denied the banker's attempt to dismiss a lawsuit brought by his former employer.

The 66-year-old, who spent more than 30 years at JPMorgan before being fired in 2013, was sued by the bank in March, seeking to make Staley liable for any damages awarded in two separate claims over JPMorgan's decision to retain Epstein as a client for 15 years.

The lawsuits against JPMorgan were filed towards the end of last year, one by an unnamed Epstein accuser and the other by the US Virgin Islands, where the financier had a home.

They allege that JPMorgan benefited from human trafficking by continuing to provide banking services to Epstein despite multiple internal red flags about his arrest and charge for soliciting a minor in Florida, and reports that he was using cash to pay off sex abuse victims.

The Epstein accuser also alleged that she was raped by Staley, and that Staley witnessed her being abused, claims Staley has denied.

JPMorgan said that if such allegations were true, Staley, who was for a period Epstein's private banker, failed to comply with his fiduciary duties.

The lender also said that Staley, who vouched for Epstein in the bank, may have mischaracterised the nature of his relationship with the financier, which allegedly involved visits to Epstein's properties and emails in which photographs of young women were exchanged.

In communications entered into evidence as part of the cases against JPMorgan, Staley described himself as owing Epstein "much", and stated that he had few friendships as "profound".

JPMorgan is also attempting to claw back some of Staley's pay. Staley went on to lead Barclays before resigning following an investigation into the way he characterised his relationship with Epstein. He has described JPMorgan's allegations as "slanderous" and "baseless but serious".

Staley's legal team had attempted to get JPMorgan's claim dismissed, arguing that the bank's case was "completely absent" of concrete claims. "They have to make the allegations . . . They have to say what is true and what is not," Staley's lawyer Stephen Wohlgemuth told the court last week.

JPMorgan declined to comment on the decision.

Last week, the bank said: "Staley is accused of unspeakable acts that are the foundation of the claims against the bank. If true, he is accountable for any harm done not just to the bank, but to these women."

The cases are scheduled to go to trial in New York in October.

Financials

Judge throws out sex assault case against Black

MARK VANDEVELDE — NEW YORK

Leon Black, who quit as head of Apollo after revelations about his ties with Jeffrey Epstein, has secured dismissal of a lawsuit in which an ex-mistress accused him of sexual misconduct.

Guzel Ganieva sued Black in 2021, alleging that he picked her out at an International Women's Day event in 2008 and plied her with promises of interviews at Goldman Sachs at the beginning of a relationship that later turned abusive.

A judge threw out Ganieva's lawsuit on Wednesday, ruling that her claims were riddled with legal flaws and anyway were barred under the terms of a non-disclosure agreement dating from 2015. The court said Ganieva had received about $9.5mn from Black under the agreement, and returned none of it, meaning that she could not now claim that she had signed the contract under duress.

Shortly after the ruling was made public, Black said Ganieva had been "able to manipulate the legal system and the media" in a way that was "exceptionally painful to my family, my business partners and friends, and me".

The lawsuit, which contained graphic details of mistreatment that Ganieva claimed she had suffered at the hands of Black, has gained widespread media attention since its filing.

In one set of court papers, Ganieva detailed a supposed trip to Florida during which she claimed that Black had tried to pressure her into having sex with Epstein. Black maintained that flight logs proved the trip had never happened.

The ruling, by New York state judge David Cohen, marks a victory for Black in his battle with the Wigdor law firm, which filed the suit on behalf of Ganieva and is representing another woman, Cheri Pierson, who accuses the billionaire of rape. Black has asked a court to punish Wigdor for filing a lawsuit on behalf of Pierson, which he said "abused the court system to launder frivolous, unsubstantiated, and damaging accusations of sexual assault" into the public record. He is suing Wigdor and Ganieva over what he calls her "fraudulent" lawsuit. Ganieva fired Wigdor as her lawyers last month.

Wigdor has previously described Black's attempt to have the firm hit with sanctions as "pathetic PR" to create a distraction.

The collapse of Ganieva's lawsuit marks the end of a chapter in which allegations concerning Black's personal life fused with a battle for control of Apollo.

Black sued his former top lieutenant Josh Harris last year, accusing him of conspiring with Ganieva to ruin his reputation and dislodge him from the top job at the $513bn investment group. But a federal judge threw out the lawsuit against Harris, calling Black's legal theory "conclusory, vague, indirect, clever and cute".

COMPANIES & MARKETS

Morgan Stanley hopes chief's tactics for bloodless succession pass muster

Gorman's looming departure puts strategy for defying Wall Street's record of back-stabbing to test

JOSHUA FRANKLIN — NEW YORK
LAURA NOONAN AND ARASH MASSOUDI
LONDON

Over an Italian dinner at Elio's on New York's Upper East Side two years ago, Ted Pick and Andy Saperstein promised each other that a brewing succession battle at Morgan Stanley would not devolve into the kind of back-stabbing common at other banks.

Colleagues for 15 years, they had just been promoted to co-presidents, marking them out as leading contenders eventually to take over one of Wall Street's biggest jobs from long-serving chief executive James Gorman.

They knew a good relationship was important to their boss — Gorman had warned privately that internal politicking was one sure-fire way to disqualify a candidate from the CEO job.

Now, after Gorman announced last week that he planned to step down within 12 months, their fraternity will be put to the test as Morgan Stanley's board tries to pull off a Wall Street rarity: a bloodless succession.

"[Gorman] mentions it all the time that Wall Street has been absolutely horrific on succession and that he was the one who was going to change that," said a former Morgan Stanley executive.

Gorman, 64, said at Morgan Stanley's annual meeting that the bank's board of directors had identified "three very strong senior internal candidates for consideration as the next CEO", referring to Pick, Saperstein and Dan Simkowitz, another top executive.

"In terms of who takes over, I don't envy who has to make that decision," said Christian Bolu, banking analyst at Autonomous Research. "What you don't want is for the other person to leave. That would be bad for the stock."

The three candidates have been at pains to show the world that any ambitions to be chief executive will not spill over into their work. They meet clients together. Pick, Saperstein and Simkowitz have also interviewed each other at corporate events.

Morgan Stanley declined to comment.

Wall Street is littered with bitter succession battles, including at Goldman Sachs where David Solomon won out over co-president Harvey Schwartz to take over from Lloyd Blankfein in 2018.

Two decades ago, Morgan Stanley was roiled by infighting during the turbulent leadership of Philip Purcell. Early on in Gorman's tenure as chief, Paul Taubman left the bank following a fractious relationship with his internal rival Colm Kelleher. Taubman now runs boutique investment bank PJT Partners while Kelleher is chair at Swiss lender UBS.

Gorman has been focused on a smooth leadership transition since he got the job in 2010. Just three weeks into his tenure he presented a succession plan to the board of directors, according to people familiar with the matter.

Whoever wins will face the daunting task of taking over from a widely praised and well-liked leader in Gorman whose strategy to grow in wealth and asset management has been cheered by investors. Morgan Stanley is now worth more than Goldman, its perennial rival in investment banking and trading.

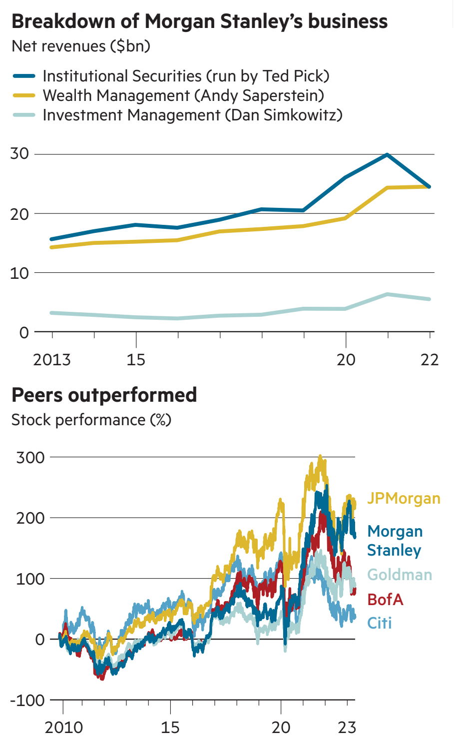
"Filling the shoes of James is hard because he's done so well. He nailed strategy and execution," said one executive who has worked with all three candidates.

In his remarks last week, Gorman left some wriggle room around his plans, telling shareholders that his succession would happen so long as economic conditions remained stable. He plans to stay on as executive chair for a period of time after handing over his responsibilities.

> 'What you don't want is for [losing contenders] to leave. That would be bad for the stock'

Pick, Saperstein and Simkowitz all have a chance at taking over but Pick is considered the frontrunner, according to people familiar with the succession process.

In addition to their co-president titles, Pick is head of Morgan Stanley's institutional securities division, which houses the investment bank and trading operations, while Saperstein leads wealth management. Simkowitz runs the investment management division and is co-head of strategy along with Pick.



Sources: company statements; S&P Capital IQ

Pick, 54, and Saperstein, 56, oversee operations that last year generated 90 per cent of Morgan Stanley's $53.7bn in revenues.

After graduating from Middlebury College and gaining an MBA from Harvard Business School, Pick started at Morgan Stanley in 1990 as a capital markets investment banker. He moved over to Morgan Stanley's trading business where he engineered a turnround of the fixed-income division.

"The decision to reduce costs and staffing in fixed income . . . and then to see it prosper is a feather in anyone's cap," said one person with knowledge of the succession planning.

Pick benefits from his experience running trading and investment banking, the riskiest parts of the bank, which can generate enormous losses when managed poorly. He is viewed as having done a solid job but his record is not without blemishes — Morgan Stanley lost $911mn during the collapse of Archegos, a family office.

In investment banking, Morgan Stanley has struggled to break JPMorgan Chase and Goldman's stranglehold as the top fee-earning firms. Pick's old capital markets team is also at the centre of a US government investigation into its block trading business. The bank said this month it was in talks about settling the case.

Saperstein, who still speaks with the distinctive accent of the Staten Island borough of New York City, has a background most similar to Gorman.

After graduating with degrees from Harvard Law School and the University of Pennsylvania's Wharton School, Gorman and Saperstein worked together at McKinsey, the consultancy.

Saperstein followed Gorman first to Merrill Lynch and again to Morgan Stanley in 2006, where he became head of US wealth management in 2009.

While he still has only limited experience in Morgan Stanley's trading business, his assured running of wealth management has pushed him into contention. He has helmed the overall wealth management division since 2019 and it has become a critical driver for Morgan Stanley's stock, responsible for about 45 per cent of revenues with $4.5tn in client assets.

Chosen few: top candidates to replace James Gorman, above, include: from top, Ted Pick, Andy Saperstein and Dan Simkowitz — FT montage/Bloomberg

Although Saperstein was "much closer to James", Pick has built up his relationship with Gorman in recent years, according to another executive who has worked with all three of the men.

Simkowitz, 58, started at Morgan Stanley in 1990, the same year as Pick, and is seen by some as the most polished candidate of the three. "He's somebody I can see in front of a congressional hearing," said another person who had worked with all three men.

He joined the bank after graduating from Harvard and gaining an MBA from Columbia University. Like Pick, he has a capital markets background and also worked with the US Treasury and Federal Reserve in the aftermath of the 2008 financial crisis. He had a stint in Asia before returning to New York.

"James obviously rates his intellect very highly, he was a very good capital markets banker," said one former colleague.

Simkowitz runs the smallest of Morgan Stanley's three businesses — investment management makes up about 10 per cent of the bank's revenues — but the bank's recent purchase of Eaton Vance has given him a further opportunity to impress.

No matter which of the three does get the job, one glaring issue with Morgan Stanley's succession process will remain: the all-male line-up.

The initial slate of four leading candidates, which included Morgan Stanley veteran Jonathan Pruzan before his departure earlier this year, was referred to internally as the "four horsemen".

With up-and-coming female executives such as chief financial officer Sharon Yeshaya and Europe, Middle East and Africa head Clare Woodman, it will be up to whoever takes over from Gorman to ensure that the next succession race is more diverse.

Financials

Caymans steps up effort to launch Asia hub office

KAYE WIGGINS — HONG KONG
MERCEDES RUEHL — SINGAPORE
LEO LEWIS — TOKYO

The Cayman Islands has launched a fightback against attempts by Singapore and Hong Kong to rival it as a destination for Asia's hedge funds and super-rich to park assets.

Cayman Islands financial services minister André Ebanks visited Singapore and Hong Kong this month to advance plans to set up an office in one of the two hubs.

It would be the Cayman Islands' first base in Asia, and its officials would help investors set up and manage funds based in the Caribbean territory.

The move comes after Singapore and Hong Kong approved fund structures offering investors a way to shelter money in lightly taxed vehicles, with government subsidies to cover some set-up costs. Use of Singapore's "variable capital companies" has exploded since introduction in 2020, with 889 set up so far, a pace investors say has taken even regulators by surprise as Chinese money floods in. Uptake of Hong Kong's "open-ended fund companies" has been slower, but 64 were set up in 2022, up from 40 a year earlier.

There are far more such vehicles in the Cayman Islands, but officials in the British overseas territory "think there's a threat to their position", said a Hong Kong-based funds specialist briefed on the initiative. "They haven't had as much competition before."

> The 'particular strength' of the islands is in being 'far away from the long arm of the Beijing government'

The Cayman Islands had been planning to set up an office in Asia for years, but the rapid take-up of the Singapore and Hong Kong vehicles has prompted more urgency, according to two people with knowledge of officials' thinking.

"Minister Ebanks and I . . . had meetings with a number of local officials, agencies and law firms [in Hong Kong and Singapore] on matters related to opening and operating a Cayman Islands government office," said Gene DaCosta, the Caymans' representative for Asia. The Caymans delegation had met hedge fund executives, lawyers and trade bodies for the private equity, hedge fund and venture capital sectors, said people with knowledge of the trip.

One financier whose firm uses Caymans funds said officials were seeking to reaffirm their ties in the face of what was likely to become sharper competition from Hong Kong and Singapore.

Ann Ng, a Hong Kong-based partner at Caymans law firm Maples who accompanied officials to some of their meetings, said: "It was very much a two-way process, for the [Cayman Islands] government to meet stakeholders and get feedback about the jurisdiction."

A Singapore adviser who had talks with the delegation said the pitch to Asian investors considering the Hong Kong and Singapore vehicles was that Caymans funds represented "the 'old faithful' of the investment world — tried, tested and trusted".

Another Singapore-based financial adviser who met the delegation said the Caymans had "have one particular strength: they are far away from the long arm of the Beijing government. Hong Kong can't really argue that, and Singapore might have trouble, too, down the track with how things are going with mainland inflows".

Media

Bertelsmann boss hails AI as an opportunity

LAURA PITEL AND OLAF STORBECK
BERLIN

Artificial intelligence is more of an opportunity than a threat for creative industries, the head of Europe's biggest media group has said in defiance of warnings about generative AI's danger.

Thomas Rabe, chief executive of the German business that owns the book publisher Penguin Random House and the music label BMG, said that although there were "major questions" about copyright protection, the technology was "on balance . . . probably more of an opportunity".

"I really think generative AI is an inflection point" for society, the Bertelsmann chief executive told the Financial Times. "It can be very positive provided we stay on top of it and understand its potential and threats."

Several big music companies have been alarmed by the rise of AI-generated songs, which alongside the increased popularity of ambient music has contributed to them losing market share on streaming platforms.

Spotify this month removed tens of thousands of tracks produced by the AI start-up Boomy after it came under pressure to take action from industry incumbents including Universal Music.

> 'It can be very positive provided we stay on top of it and understand its potential and threats'

Rabe, who has headed the privately owned Bertelsmann since 2012, said creative industries were entering "uncharted territory" when it came to protecting the work of their authors and artists. Using works by well-known authors or artists as input for software so it can produce new content "could be a copyright infringement", he said.

However, Rabe also argued that a proliferation of AI-generated material of varying quality would increase the value of works from respected sources.

He said there were even opportunities for authors to augment their output by feeding software with their previous output to generate new content. "If it's your content, for which you own the copyright, and then you use it to train the software, you can in theory generate content like never before."

Rabe is the latest media chief executive to play down potential difficulties posed by AI. Mark Read, chief of advertising company WPP, last month argued that using AI systems to help create campaigns would be a "massive opportunity to optimise" creative work.

Travel & leisure

German football clubs reject PE media deal

WILL LOUCH, ALEXANDER VLADKOV AND SAMUEL AGINI

Germany's top football clubs have voted against selling a stake in the league's media and commercial rights to private equity firms, marking the second time they have rejected taking financial investors' cash.

The plan to sell a stake in the media rights failed to secure a two-thirds majority from Deutsche Fussball Liga's 36 members, the head of the DFL's supervisory board said. The DFL runs Germany's top two leagues.

"The majority of the clubs voted in favour of the project, but it was four votes less than the two-thirds majority desired by the DFL executive committee, and to continue the talks with the investors," Borussia Dortmund's chief executive and DFL supervisory board head Hans-Joachim Watzke said. The DFL's interim managing director Axel Hellmann added that some members had expressed surprise at the outcome of the vote.

The failure to secure the support of the DFL is a blow to a group of private equity firms, including Blackstone, Advent International and CVC Capital Partners, which were vying to buy a 12.5 per cent stake in the media rights business, according to people familiar with the matter.

Private equity's push into football media rights has divided opinion among fans, the leagues and clubs. Wednesday's vote attracted a small group of protesters outside the hotel where it was held. They were opposed to the DFL taking private equity cash.

France's Ligue 1 and Spain's La Liga have both previously sold stakes in their media rights to CVC Capital Partners. CVC's €2bn financing deal with La Liga was also opposed by some clubs, including Barcelona and Real Madrid, but was still completed.

Italy's Serie A abandoned a €1.6bn deal to buy a 10 per cent stake in a new company managing Serie A's broadcasting rights, after opposition from clubs.

The collapsed sale in Germany marks the second time that the DFL has voted against private equity money.

In 2021, the league voted to back out of talks to sell a stake in a new media company that would hold the rights to broadcast Bundesliga games outside Germany.

That process attracted interest from a range of private equity firms, including CVC and KKR, the Financial Times has reported.

The league again began talks to sell a stake to investment groups earlier this year and attracted interest from some of the buyout industry's biggest names.

Fixed income. Environment

UK fund L&G bets on Ecuador's Galápagos debt experiment

Treasure islands: the Galápagos are a symbol of national pride in Ecuador and are now also pioneering debt-for-nature deals
Carlos Espinosa/AFP/Getty

Britain's biggest asset manager buys $250mn of bonds in sign of growing investor interest

KENZA BRYAN — LONDON
JOE DANIELS — QUITO

The UK's largest asset manager Legal & General has thrown its weight behind a landmark debt deal by Ecuador, in a sign of growing investor interest in swaps that shrink countries' interest payments while raising money for environmental conservation.

A unit of Legal & General Investment Management snapped up $250mn of the record-setting Galápagos deal in May — the largest so-called debt-for-nature swap — making it the biggest cornerstone investor in the deal, it told the Financial Times.

The transaction allows Ecuador to exchange $1.63bn of dollar-denominated bonds for a $656mn loan at much lower repayment rates on the condition that the country put some of the money it has saved towards environmental conservation.

LGIM's buy-in provides big-name institutional support for an experimental asset class that other developing countries are expected to adopt.

Debt-for-nature swaps were traditionally brokered by governments and non-governmental organisations, but Credit Suisse — which started arranging this transaction before its recent purchase by UBS — structured swaps for Belize in 2021 and Barbados last year worth $364mn and $146.5mn respectively.

"We like this type of transaction partly because of its inclusive capitalism [theme] and partly because of the returns," said Jake Harper, investment manager at LGIM.

"Part of our plan . . . is that we are in debt-for-nature swaps like this throughout the world. It could become quite a significant part of our strategy as long as the risks stack up."

Ecuador's deal will save the nation $1.13bn in reduced debt service costs, according to Credit Suisse, while Ecuador will spend $323mn on marine conservation in the Galápagos Islands over the next 18-and-a-half years.

Much of it will support the new Hermandad Marine Reserve and the existing Galápagos Marine Reserve, while there will be funding for an endowment for marine conservation.

A credit guarantee provided by the Inter-American Development Bank, and insurance by the US International Development Finance Corporation protecting against upheavals linked to government interference or political violence, keep the risk low, said Harper.

Moody's said the bonds had been sold at "deeply distressed" prices, technically making the swap a "default".

"You might question why would a pension fund want to invest in an asset class like this," Harper said. "We do get asked internally, are we just lending money to a sovereign to restructure debt."

Still, Moody's gave the new debt a provisional investment grade Aa2 credit rating, its third-highest, and 16 notches above Ecuador's junk Caa3 rating.

Ecuador's sovereign bonds yield is about 22 per cent while the new bond, which will run until 2041, has a 5.6 per cent coupon. There is a seven-year grace period on principal repayments.

In Ecuador — where the Galápagos Islands are a symbol of national pride — the news was met with front-page headlines that briefly competed with a political crisis in which the president has called snap elections after facing impeachment charges.

"Our currency is biodiversity," Ecuador's foreign minister, Gustavo Manrique, who worked on the deal while previously serving as environment minister, told the FT.

Most, but not all, of the Ecuadorean bonds have been placed, primarily with pension funds, insurance companies and asset managers.

A number of other countries are keen to do such deals, and are hoping that the interest in Ecuador's deal signals growing investor demand.

Ecuador also plans to restructure more of its own debt using this mechanism. "We're seeing different ways of capitalising on biodiversity," Pablo Arosemena, Ecuador's finance minister, told the FT. "We have a portfolio of various projects of this sort."

Arosemena said the government was pursuing a debt-for-nature swap involving corridors in the Amazon rainforest. That deal would involve "keeping oil below the ground in certain zones, and monetising that action for conservation", he said.

Gabon, Sri Lanka and Colombia have previously also said they are considering similar deals.

The Nature Conservancy, a US non-profit that worked on the Belize and Barbados deals, told the FT it was in talks with dozens of countries that it considers good candidates.

'We do get asked are we just lending money to a sovereign to restructure debt'

But some remain sceptical of the benefits of such deals. Credit Suisse's new owner, UBS, has not yet thrown its own weight behind the biodiversity-themed debt experiment spearheaded by its former rival.

"It's clearly not a silver bullet," said Frederic de Mariz, head of ESG at UBS in Latin America. "My main concern is how you make this scaleable and make sure we don't combine one topic, which is debt restructuring, and another topic, very different, this payment for nature services."

Mariz added that there was a "limited pool of money" from investors willing to give up financial returns in exchange for a nature-based return.

Farnam Bidgoli, managing director and global head of ESG solutions at HSBC, said the London-based lender was in "active conversations" about structuring its own debt-for-nature swaps in markets where it already has relationships with government debt issuers and creditors.

But she warned that high transaction fees paid by the issuer meant the terms could be less favourable than traditional debt relief measures such as concessional loans. "From a government perspective, this would not be your first option."

Critics also pointed out that only some of the savings from debt servicing were funnelled towards conservation.

"My main concern is that the headline numbers suggest a meaningful transfer of resources for marine conservation whereas in fact those sums are relatively small on an annual basis," said Graham Stock, senior emerging market sovereign strategist at RBC BlueBay Asset Management.

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Asset management

London local authority's scheme puts £150mn into property

JOSEPHINE CUMBO — LONDON

The pension fund of London's wealthiest borough is pouring hundreds of millions of pounds into commercial property in a controversial bet just as many global retirement funds offload or write down their real estate holdings.

Kensington and Chelsea council's £1.6bn scheme has so far spent about £150mn over the past year and a half on a range of property around the country, including the site of a Morrisons supermarket in Hampshire, a Travelodge hotel in York and the site of an Audi car showroom in Milton Keynes.

The spending spree comes after the 10,000-member scheme quadrupled its target property allocation from 5 per cent to 20 per cent, funded by cutting exposure to equities.

"The properties we are buying are good, we are not trying to generate outsized returns," said councillor Quentin Marshall, chair of the scheme's investment committee, who described the site of the Audi showroom as "a very, very blue-chip investment".

He added: "The majority of our investments have occurred or will occur following the fall in prices last year so overall the new environment is net positive for us as we are buying at lower prices."

'The properties we are buying are good — we are not trying to generate outsized returns'

Kensington and Chelsea is the London borough in which Grenfell Tower was situated and the council came in for heavy criticism for neglecting the property after a fire in 2017 killed 72 people.

Bets on commercial real estate have proved costly to town halls in the past.

In 2020, the government banned local authorities from buying investment property after a near-£7bn spree left many heavily indebted.

Pension schemes were not subject to the ban as they are managed separately from host local authorities and have a legal duty to invest for the best returns.

Kensington and Chelsea's move comes as many investors reduce their exposure to property.

Last week, a monthly survey by Bank of America showed fund managers had cut their allocations to commercial real estate to their lowest level since the 2008 financial crisis.

Global retirement funds are lowering their expectations for their real estate holdings as rising interest rates and banking turmoil bite the sector.

Calstrs and Calpers, two of the biggest public pension plans in the US, recently said they expect their property holdings to be downgraded.

However, Kensington and Chelsea's target allocation to commercial property at 20 per cent is substantially higher than its peer town hall funds, which typically hold about 5 to 10 per cent of these assets.

Equities

Chinese groups switch auditors to avoid risk of delisting by US exchanges

ECHO WONG AND KENJI KAWASE
NIKKEI STAFF WRITERS

More than a dozen US-listed Chinese companies have switched from auditors in their home country to ones in the US and Singapore since 2022, reducing the risk they could be thrown off American exchanges, a Nikkei Asia analysis shows.

Under a 2020 law called the Holding Foreign Companies Accountable Act (HFCAA), Chinese companies can be delisted if their auditors fail to comply with US accounting standards.

Those requirements include allowing inspections of auditors by the Public Company Accounting Oversight Board (PCAOB).

Beijing resisted the US effort until last year when it began to allow the PCAOB to inspect Chinese auditors.

On May 10, the regulator released the first results from its inquiries in China and Hong Kong, saying it had found "unacceptable" flaws at two auditors, KPMG Huazhen and PwC Hong Kong.

As the HFCAA was being implemented and strengthened by additional legislation, some US-listed Chinese companies moved to avoid the delisting threat by switching their auditing work to companies in the US and Singapore, which have not fought PCAOB inspections.

The US Securities and Exchange Commission has identified 174 US-listed Chinese companies with auditors that required inspection.

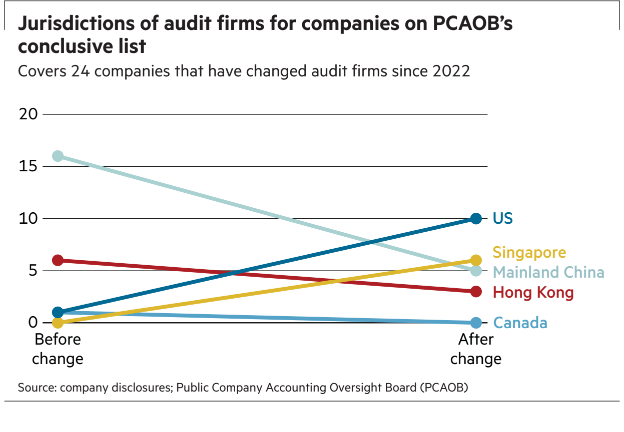
Of these, 24 have changed auditors since 2022, according to a Nikkei analysis of corporate filings with 15 switching from companies in China or Hong Kong to ones in the US or Singapore.

Singapore is benefiting from the application of American pressure

After the churn, 16 of the 24 were being audited by companies in the US or Singapore compared with two in the Americas before. The number being audited in China or Hong Kong fell from 22 to eight.

Legend Biotech, a developer of commercial-stage biotech medicines, told Nikkei Asia that concerns about the HFCAA prompted it to shift its auditing work from Ernst & Young Hua Ming in Shanghai to an E&Y office in New Jersey in 2022. "When this law went into effect, we began to transition [from] a China-based accounting company to a PCAOB-registered accounting company based in the US," said Tina Carter, corporate communications lead at Legend Biotech. "That process is now complete."

ACM Research switched its accounting work to Armanino in San Ramon, California, from BDO China Shu Lun Pan in Shenzhen, which had served the chip material supplier since 2015.



The company said it made the move so it would "no longer be subject to the related delisting guidelines of the HFCAA".

Singaporean auditors have emerged as big beneficiaries of the US pressure.

Nasdaq-listed Fangdd Network, an online real estate brokerage, said in its annual report that in July last year that it switched to Audit Alliance of Singapore from KPMG Huazhen — one of the companies criticised by the PCAOB last week.

The company's report did not give a reason for the change.

Melco Resorts & Entertainment and Studio City International Holdings, listed arms of Macau casino tycoon Lawrence Ho, switched from an E&Y office in Hong Kong to one in Singapore.

In their annual reports, both companies noted that E&Y Singapore "is not a PCAOB-identified firm".

Mercurity Fintech Holdings said it switched from auditor Shanghai Perfect to Onestop Assurance PAC of Singapore, noting that the latter was registered with the PCAOB and had been inspected by the PCAOB "on a regular basis".

Referring to the May 10 release, KPMG Huazhen said in a statement that it "acknowledges the findings of the PCAOB following its inspection". It did not address a Nikkei Asia question about its dismissal by Fangdd.

PwC said in a statement that it was "working with the PCAOB to address the issues".

KPMG Huazhen and PwC Hong Kong audited 40 per cent of US-listed Chinese stocks by market capitalisation.

Erica Williams, chair of the PCAOB, said its inspectors "are on track to hit 99 per cent of the total market share by the end of this year".

In March, China's finance ministry fined Deloitte and suspended its Beijing office for three months, citing "serious audit deficiencies" in its work with China Huarong Asset Management, one of the largest bad-debt managers in the mainland.

Nana Li, head of Asia-Pacific sustainability and stewardship at Impax Asset Management, said: "It will now be very difficult for foreign accounting companies . . . to keep many of their clients in China despite their long-term onshore operations in this market."

A version of this article was first published by Nikkei Asia

The day in the markets

What you need to know

- **Wall Street stocks rebound, powered higher by tech earnings**
- **Gilts extend losses as traders pencil in higher UK interest rates**
- **FTSE 100 underperforms in weaker European trading**

US equities rose yesterday, bolstered by blowout earnings from chipmaker Nvidia, but UK government bonds sold off further on the back of this week's higher than forecast inflation data.

Wall Street's tech-heavy Nasdaq Composite jumped 2.3 per cent by midday in New York while the benchmark S&P 500 rose 0.5 per cent, rebounding from losses earlier in the week.

Nvidia, whose quarterly earnings far exceeded analyst expectations on the back of soaring demand for chips used in generative artificial intelligence systems, jumped — while Microsoft and Alphabet, heavily involved in AI development, also gained.

In the UK, however, gilts sold off again after data on Wednesday showed inflation dropped to 8.7 per cent in April — a much smaller decline than the Bank of England had forecast.

Yields on two-year UK gilts rose by 17 basis points to 4.54 per cent — at the end of last week, they were below 4 per cent.

Those on benchmark 10-year bonds also rose by 17bp to 4.38 per cent as it closed in on the level hit in October 2022 when the "mini" Budget of then-chancellor Kwasi Kwarteng sent financial markets into a tailspin.

Traders have upped their forecasts for UK interest rates and now expect rates to peak at 5.5 per cent by the end of the year compared with forecasts of 4.9 per cent just a week ago.

"There is an ongoing fear associated with inflation being out of control in the UK [. . .] there has been some concern about the central bank's ability to address that," said Joel Kruger, market strategist at LMAX Group.

London's FTSE 100 traded 0.7 per cent lower, making it the biggest faller in Europe among major markets.

US bond markets continued to be overshadowed by fears about the lack of progress in debt ceiling talks.

Yields on Treasury bills maturing next month — around the expected date that the government could run out of money — were at 5.6 per cent yesterday, having hit 6.06 per cent overnight, their highest point in more than 20 years.

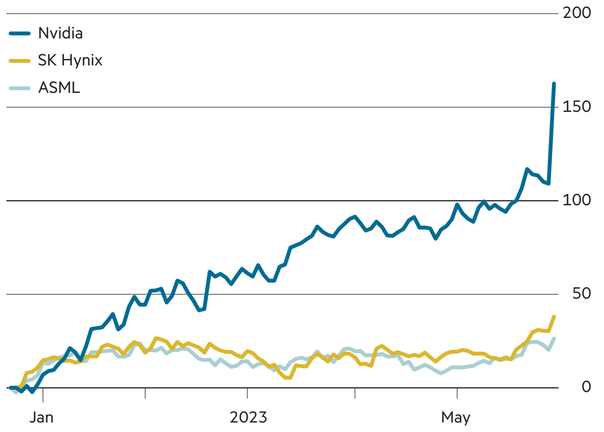
Those on two-year Treasury bonds rose 13bp to 4.48 per cent and for 10-year debt they were up 7bp to 3.79 per cent.

The dollar strengthened 0.4 per cent against a basket of six other currencies.

Across the Atlantic, stocks remained in negative territory with the region-wide Stoxx Europe 600, the CAC 40 in Paris and Frankfurt's Xetra Dax all down 0.3 per cent. **Daria Mosolova and Hudson Lockett**

Nvidia outpaces rivals thanks to AI chip boom

Share price, year-to-date (rebased, %)



Source: Refinitiv

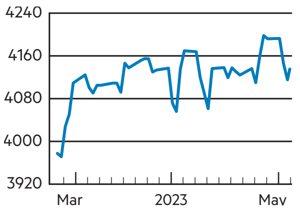
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	4135.47	1807.34	30801.13	7570.87	3201.26	110340.20
% change on day	0.49	-0.31	0.39	-0.74	-0.11	1.42
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	103.988	1.073	139.795	1.234	7.068	5.002
% change on day	0.097	-0.279	0.572	-0.243	0.383	0.978
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	3.783	2.520	0.425	4.506	2.742	11.356
Basis point change on day	6.370	5.000	2.150	16.300	0.100	-2.800
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	425.18	75.45	71.32	1969.65	23.42	3564.20
% change on day	-0.10	-3.71	-4.06	0.02	1.10	-1.94

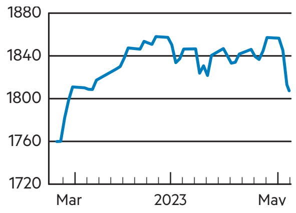
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

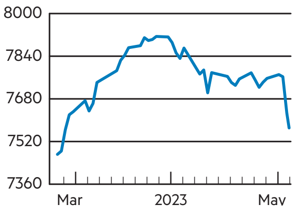
S&P 500 index



Eurofirst 300 index



FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
Ups	Nvidia	26.19	Asml Holding	5.13	Pershing Square Holdings Ltd	2.53
	Monolithic Power Systems	15.41	Dassault Systemes	2.62	Centrica	2.33
	Synopsys	10.59	Swatch	1.98	Flutter Entertainment	2.02
	Advanced Micro Devices	10.46	Unicredit	1.98	Scottish Mortgage Investment Trust	1.95
	Arista Networks	9.51	Hermes Intl	1.89	Admiral	1.49
Downs	Dollar Tree	-11.69	Tenaris	-3.69	Coca-cola Hbc Ag	-4.36
	Illumina	-8.62	Vivendi	-3.07	Imperial Brands	-4.17
	Insulet	-7.63	Saipem	-2.93	Dcc	-3.80
	Intel	-6.98	Oci	-2.82	Johnson Matthey	-3.22
	At&t	-5.49	Repsol	-2.80	Kingfisher	-3.12

Prices taken at 17:00 GMT. Based on the constituents of the FTSE Eurofirst 300 Eurozone.

All data provided by Morningstar unless otherwise noted.

Wall Street

Climbing to the top of the S&P 500 index was chipmaker **Nvidia**, which forecast revenue of $11bn for its fiscal second quarter, nearly $4bn ahead of Wall Street estimates, said Bank of America.

This was "the largest raise we have seen in our coverage", said the broker, "driven by the start of major data centre investments in generative AI [artificial intelligence] and large language models".

The update prompted BofA to raise its price target on Nvidia by more than 30 per cent, arguing that it was "uniquely positioned to help transform the nearly $1tn of traditional data centres towards . . . AI-driven computing".

The update lifted sector peers **Monolithic Power Systems**, **Advanced Micro Devices** and **Applied Materials**.

But an outlier was Nvidia's longtime rival **Intel**, which fell sharply.

Intel was joined at the tail-end of the blue-chip benchmark by discount store chain **Dollar Tree**, which reported a 340 basis point reduction in gross margin in the first quarter.

Rick Dreiling, chief executive, said this was down to "elevated shrink [stock loss] and the product mix shift to consumables".

Dollar Tree also lowered its 2023 guidance, forecasting earnings of $5.73 to $6.13 per share, down from an earlier range of $6.30 to $6.80. *Ray Douglas*

Europe

A well-received private placement lifted Denmark's **GN Store Nord**, which completed an accelerated bookbuild process of more than 17mn shares, raising around DKr2.75bn ($400mn) gross.

Citi acknowledged that the sale was clearly dilutive as more than 13mn shares sold were new but the move also paved the way for investors to "refocus on the accelerating growth and earnings momentum" of the hearing aids manufacturer.

France's **Derichebourg**, which provides environmental, airport and businesses services, fell sharply after reporting a 21 per cent year-on-year drop in recurring core profits for the six months to March 31.

Norway's fish farmers rose sharply following reports that the country's Centre party had reached a compromise regarding a proposed plan for a resource tax on aquaculture.

The Oslo government had intended to add a 40 per cent resource levy for fish farmers but this was reportedly lowered to 25 per cent — news that buoyed **SalMar**, **Leroy Seafood**, **Austevoll** and **Mowi**.

Forecast-beating results overnight from US chipmaker Nvidia ricocheted across Europe's semiconductor sector, propelling **Siltronic**, **ASMI**, **Besi** and **ASML** higher. *Ray Douglas*

London

Near the top of the FTSE 100 index was British Gas owner **Centrica**, which was set to benefit from the UK regulator's proposals around a hybrid allowance for energy retailers.

Assuming a price cap level of £2,100, a supplier could make around £10 more per customer under this Ofgem plan, said Jefferies.

Workspace, which provides commercial property to let, rallied after reporting net tangible assets of 9.27p per share, 11 per cent ahead of consensus estimates.

Broker Numis said "demand for flexible office solutions continues to grow . . . and Workspace's SME [small and medium-sized enterprises] tenant base remains more robust and more willing to absorb price increases than the market perceives".

Floorcoverings group **Headlam** fell after warning that lower residential volumes coupled with a "moderation in price increases" had reduced its gross margin in the first four months of the year.

The cause was "particular weak consumer confidence", the group said, but the commercial sector had been performing better.

Outsourcer **Capita** rallied following news that it was the preferred bidder to deliver functional assessment services in the Midlands, Wales and Northern Ireland. *Ray Douglas*

Economies face stark choices on de-risking

Mohamed El-Erian

Markets Insight

For decades, I have argued that the US dollar will maintain its position as the predominant currency in the world economy. This remains the case today. There is no other currency — physical or virtual — able to replace the dollar at the centre of the international monetary system.

However, the global influence of the dollar is facing several non-economic challenges despite its continued status as the world's reserve currency.

Slowly and surely, countries will now be pushed towards choosing between two strikingly divergent paths: collaborate more to strengthen multilateralism and its ruled-based framework — or embrace economic decoupling as an inevitable accompaniment to greater risk mitigation by individual states.

The role of the dollar as a reserve currency has long been supported by three US attributes: its status as the world's largest economy, the depth and breadth of its financial markets, and the predictability stemming from institutional maturity and respect for the rule of law.

By adopting the dollar as a medium of exchange and as a store of value, other countries have achieved significant efficiency gains while affording the US the ability to enjoy what former French president Valéry Giscard d'Estaing famously described in the 1960s as an "exorbitant privilege" — essentially, greater power to exchange its own currency for goods and services from other countries while having access to a larger pool of low-cost financing.

It is part of an implicit contract: America benefits in return for responsibly managing the system.

Yet the latter aspect of the contract has been challenged in the past 15 years by the 2008 global financial crisis that originated in the US and the sudden imposition of trade tariffs in 2017.

While those events shook dollar dominance, they did not fundamentally undermine it due to what can be called the "cleanest dirty shirt syndrome": the dollar may not be a pristine reserve currency but it is still considered cleaner than any other currency for this role.

Over the past two years, this situation has become notably trickier because of the US Federal Reserve's mishandling of the interest rate hiking cycle and the growing emphasis on resilience in economic and business strategies.

Rather than seeking to replace the dollar, there is a step-up in efforts to build pipes around it in the world's trading and payment infrastructures.

> The US and allies can either work together to revamp multilateralism or accept the costs of decoupling

China has taken a leading role in this with initiatives to create new regional and global institutions, expanding the use of its own currency in bilateral payments and lending agreements, and revamping its Belt and Road Initiative. But it is not just China.

The tough sanctions imposed on Russia have helped spur greater country interest in arrangements that bypass the dollar. Additionally, more nations are starting to perceive it as feasible to reduce their reliance on the US currency.

They are looking at how Russia has reorientated its trade and substituted for the dollar in both its export and import transactions, albeit in cumbersome and costly ways. They are working hard on alternatives to Swift.

In the face of these developments, the US and its allies essentially have two options. They can work collectively to revamp multilateralism in an inclusive manner that secures buy-in from what Goldman Sachs' Jared Cohen refers to as the "geopolitical swing states".

This would include modernising the governance, representation and operations of the IMF and World Bank.

Or they can choose to accept the short-term costs and uncertainties associated with the decoupling needed to properly de-risk.

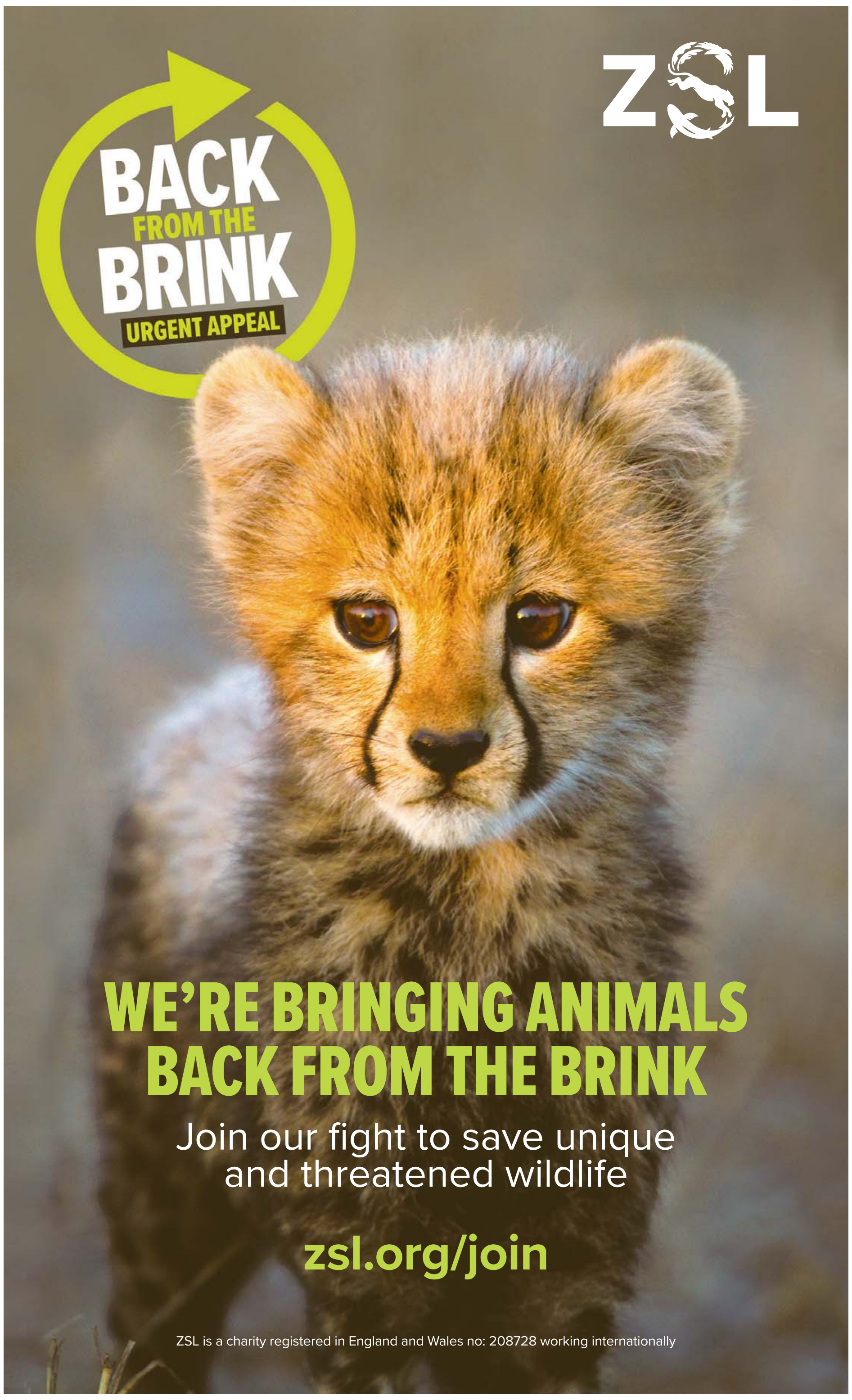
The notion of "de-risking, not decoupling" advanced last weekend by the G7 may appear appealing but it is likely to result in an unstable middle ground rather than a viable new equilibrium.

From an economic perspective, a more inclusive multilateralism supported by a robust rule-based system undoubtedly offers greater benefits compared with the alternatives.

However, it is increasingly evident that economics no longer holds the reins in driving the process. There has been a fundamental shift in the relationship between economics on the one hand and the combined forces of national security and geopolitics on the other.

It is an inversion that now encourages both the de-risking and the decoupling of cross-border supply chains and cross-border payments — and it is one that the secularly weakened multilateral system cannot effectively counter without a new major effort.

Mohamed El-Erian is president of Queens' College, Cambridge, and an adviser to Allianz and Gramercy



MARKET DATA

WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

Change during previous day's trading (%)

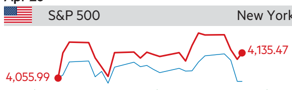
S&P 500	Nasdaq Composite	Dow Jones Ind	FTSE 100	FTSE Eurofirst 300	Nikkei	Hang Seng	FTSE All World $	$ per €	$ per £	¥ per $	£ per €	Oil Brent $ Sep	Gold $
0.49%	1.43%	-0.53%	-0.74%	-0.31%	0.39%	-1.93%	-0.10%	-0.279%	-0.243%	0.572%	No change	-1.65%	0.02%

Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison

AMERICAS

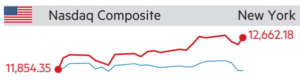
Apr 26 - - — Index — All World

S&P 500 New York



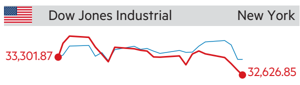
Day ↗0.49% Month ↗1.56% Year ↗3.93%

Nasdaq Composite New York



Day ↗1.43% Month ↗7.30% Year ↗10.72%

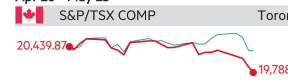
Dow Jones Industrial New York



Day ↘-0.53% Month ↘-2.72% Year ↗1.55%

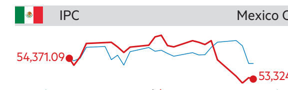
Apr 26 - May 25 — Index — All World

S&P/TSX COMP Toronto



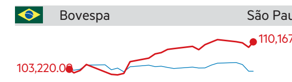
Day ↘-0.75% Month ↘-3.24% Year ↘-2.97%

IPC Mexico City



Day ↗0.31% Month ↘-1.55% Year ↗3.50%

Bovespa São Paulo

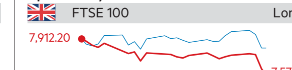


Day ↗1.42% Month ↗6.87% Year ↘-0.24%

EUROPE

Apr 26 - May 25 — Index — All World

FTSE 100 London

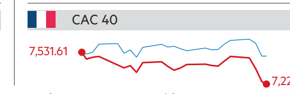


Day ↘-0.74% Month ↘-3.95% Year ↗0.75%

FTSE Eurofirst 300 Europe

Day ↘-0.31% Month ↘-2.23% Year ↗6.24%

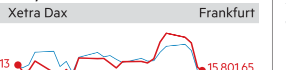
CAC 40 Paris



Day ↘-0.33% Month ↘-4.55% Year ↗15.61%

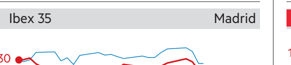
Apr 26 - May 25 — Index — All World

Xetra Dax Frankfurt



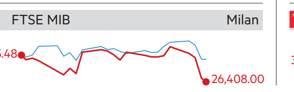
Day ↘-0.31% Month ↘-0.99% Year NaN%

Ibex 35 Madrid



Day ↘-0.52% Month ↘-3.09% Year ↗5.62%

FTSE MIB Milan

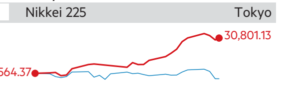


Day ↘-0.44% Month ↘-4.10% Year ↗10.60%

ASIA

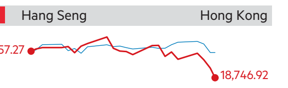
Apr 26 - May 25 — Index — All World

Nikkei 225 Tokyo



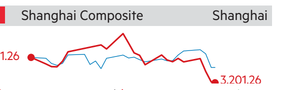
Day ↗0.39% Month ↗7.72% Year ↗15.15%

Hang Seng Hong Kong



Day ↘-1.93% Month ↘-6.01% Year ↘-6.72%

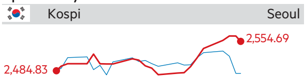
Shanghai Composite Shanghai



Day ↘-0.11% Month ↘-2.26% Year ↗4.24%

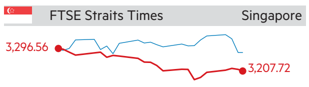
Apr 26 - May 25 — Index — All World

Kospi Seoul



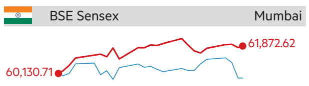
Day ↘-0.50% Month ↗1.24% Year ↘-1.96%

FTSE Straits Times Singapore



Day ↘-0.20% Month ↘-3.50% Year ↗0.41%

BSE Sensex Mumbai



Day ↗0.16% Month ↗3.11% Year ↗14.56%

Country	Index	Latest	Previous
Argentina	Merval	341669.30	340785.51
Australia	All Ordinaries	7316.70	7392.90
	S&P/ASX 200	7138.20	7213.80
	S&P/ASX 200 Res	5792.60	5892.40
Austria	ATX	3080.37	3118.12
Belgium	BEL 20	3627.07	3656.28
	BEL Mid	9839.32	9863.88
Brazil	IBovespa	110340.20	108799.54
Canada	S&P/TSX 60	1190.38	1199.59
	S&P/TSX Comp	19777.67	19927.69
	S&P/TSX Div Met & Min	1627.08	1678.16
Chile	S&P/CLX IGPA Gen	28680.54	28829.24
China	FTSE A200	10151.36	10178.32
	FTSE B35	9000.71	8988.96
	Shanghai A	3355.67	3359.21
	Shanghai B	283.21	286.30
	Shanghai Comp	3201.26	3204.75
	Shenzhen A	2098.74	2102.21
	Shenzhen B	1128.42	1144.41
Colombia	COLCAP	1261.61	1260.21
Croatia	CROBEX	2013.05	2011.29

Country	Index	Latest	Previous
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	1320.84	1317.25
Denmark	OMXC Copenahgen 20	2060.36	2058.67
Egypt	EGX 30	17090.56	16787.71
Estonia	OMX Tallinn	1849.50	1862.72
Finland	OMX Helsinki General	10059.94	10171.65
France	CAC 40	7229.27	7253.46
	SBF 120	5510.50	5531.05
Germany	M-DAX	26786.37	26778.33
	TecDAX	3186.35	3192.72
	XETRA Dax	15793.80	15842.13
Greece	Athens Gen	1202.43	1191.83
	FTSE/ASE 20	2926.33	2914.37
Hong Kong	Hang Seng	18746.92	19115.93
	HS China Enterprise	6333.63	6478.08
	HSCC Red Chip	3763.77	3824.65
Hungary	Bux	47138.99	46303.67
India	BSE Sensex	61872.62	61773.78
	Nifty 500	15555.25	15515.95
Indonesia	Jakarta Comp	6704.23	6745.80
Ireland	ISEQ Overall	8551.08	8517.26
Israel	Tel Aviv 125	1782.57	1802.05

Country	Index	Latest	Previous
Italy	FTSE Italia All-Share	28486.00	28593.98
	FTSE Italia Mid Cap	41884.57	41818.37
	FTSE MIB	26408.00	26524.54
Japan	2nd Section	7228.27	7239.06
	Nikkei 225	30801.13	30682.68
	S&P Topix 150	1856.07	1862.23
	Topix	2146.15	2152.40
Jordan	Amman SE	2483.86	2479.17
Kenya	NSE 20	1456.13	1461.57
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1149.59	1142.72
Lithuania	OMX Vilnius	1009.74	1009.74
Luxembourg	LuxX	1469.66	1465.45
Malaysia	FTSE Bursa KLCI	1402.48	1409.62
Mexico	IPC	53556.78	53393.40
Morocco	MASI	10775.85	10760.76
Netherlands	AEX	755.21	754.13
	AEX All Share	1022.27	1020.95
New Zealand	NZX 50	11959.85	11971.83
Nigeria	SE All Share	52621.19	52369.13
Norway	Oslo All Share	1017.37	1006.88
Pakistan	KSE 100	41029.68	41117.33

Country	Index	Latest	Previous
Philippines	Manila Comp	6560.22	6615.95
Poland	Wig	63717.16	64116.96
Portugal	PSI 20	5888.88	5955.77
	PSI General	4496.24	4554.49
Romania	BET Index	12183.68	12266.61
Russia	Micex Index	2436.57	2445.30
	RTX	1245.71	1212.57
Saudi-Arabia	TADAWUL All Share Index	11236.27	11275.77
Singapore	FTSE Straits Times	3207.72	3214.21
Slovakia	SAX	299.80	306.97
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	76174.61	75621.90
	FTSE/JSE Res 20	67104.21	66548.53
	FTSE/JSE Top 40	70971.24	70331.94
South Korea	Kospi	2554.69	2567.45
	Kospi 200	335.35	336.49
Spain	IBEX 35	9116.10	9163.50
Sri Lanka	CSE All Share	8712.72	8755.17
Sweden	OMX Stockholm 30	2231.57	2229.89
	OMX Stockholm AS	829.04	832.03
Switzerland	SMI Index	11325.26	11383.14

Country	Index	Latest	Previous
Taiwan	Weighted Pr	16292.00	16159.32
Thailand	Bangkok SET	1537.60	1538.56
Turkey	BIST 100	4420.80	4424.92
UAE	Abu Dhabi General Index	9222.93	9251.11
UK	FT 30	2766.90	2783.60
	FTSE 100	7570.87	7627.10
	FTSE 4Good UK	6924.89	6968.16
	FTSE All Share	4128.33	4156.82
	FTSE techMARK 100	6765.53	6736.10
USA	DJ Composite	10821.96	10859.81
	DJ Industrial	32626.85	32799.92
	DJ Transport	13806.97	13695.45
	DJ Utilities	891.15	907.70
	Nasdaq 100	13902.34	13604.48
	Nasdaq Cmp	12662.18	12484.16
	NYSE Comp	14915.73	15022.89
	S&P 500	4135.47	4115.24
	Wilshire 5000	40738.30	40643.81
Venezuela	IBC	32105.18	32331.21
Vietnam	VNI	1064.63	1061.79

Country	Index	Latest	Previous
Cross-Border	DJ Global Titans ($)	477.82	471.86
	Euro Stoxx 50 (Eur)	4272.97	4263.74
	Euronext 100 ID	1340.95	1344.50
	FTSE 4Good Global ($)	10591.38	10480.90
	FTSE All World ($)	425.18	425.62
	FTSE E300	1807.34	1813.01
	FTSE Eurotop 100	3595.84	3605.42
	FTSE Global 100 ($)	2835.34	2806.89
	FTSE Gold Min ($)	1878.42	1912.31
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	2914.42	2941.99
	FTSE World ($)	775.30	775.53
	FTSEurofirst 100 (Eur)	4841.46	4857.49
	FTSEurofirst 80 (Eur)	5785.78	5786.31
	MSCI ACWI Fr ($)	644.84	651.17
	MSCI All World ($)	2788.82	2816.85
	MSCI Europe (Eur)	1854.46	1884.82
	MSCI Pacific ($)	2742.85	2770.22
	S&P Euro (Eur)	1884.46	1887.23
	S&P Europe 350 (Eur)	1851.54	1857.73
	S&P Global 1200 ($)	3085.28	3083.90
	Stoxx 50 (Eur)	3975.43	3981.66

(c) Closed. (u) Unavaliable. † Correction. ♥ Subject to official recalculation. For more index coverage please see www.ft.com/worldindices. A fuller version of this table is available on the ft.com research data archive.

STOCK MARKET: BIGGEST MOVERS

AMERICA

ACTIVE STOCKS	stock traded m's	close price	Day's change
Nvidia	382.5	385.35	79.97
Tesla	94.0	184.51	1.61
Advanced Micro Devices	71.2	119.60	11.33
Microsoft	64.5	323.27	9.42
Apple	35.0	172.34	0.50
Amazon.com	31.8	115.17	-1.58
Meta Platforms	25.7	253.80	4.59
Alphabet	25.0	123.96	3.06
Alphabet	18.9	124.77	3.13
Adobe	12.7	388.78	23.02

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Nvidia	385.35	79.97	26.19
Monolithic Power Systems	479.79	64.06	15.41
Synopsys	437.25	41.86	10.59
Advanced Micro Devices	119.60	11.33	10.46
Arista Networks	154.65	13.43	9.51
Downs			
Dollar Tree	137.19	-18.17	-11.69
Illumina	194.33	-18.32	-8.62
Insulet	271.35	-22.40	-7.63
Intel	26.98	-2.03	-6.98
At&t	15.08	-0.88	-5.49

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Shell	248.8	2340.50	-52.00
Bp	148.9	474.95	-11.55
Glencore	129.0	416.40	-2.80
Experian	116.6	2778.00	-7.00
Astrazeneca	108.2	11642.00	-152.00
Lloyds Banking	105.5	45.83	-0.94
Rio Tinto	101.6	4758.00	-16.00
Unilever	96.1	4167.50	-4.50
Hsbc Holdings	93.8	606.40	6.20
Natwest	80.4	268.30	0.20

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Allianz Technology Trust	251.50	13.00	5.45
Hill & Smith	1432.00	66.00	4.83
Carnival	778.40	35.20	4.74
C&c	141.80	6.40	4.73
Polar Capital Technology Trust	2155.00	90.00	4.36
Downs			
Diversified Energy	87.40	-6.50	-6.92
Future	767.00	-46.50	-5.72
Tritax Eurobox	59.90	-3.10	-4.92
Harbour Energy	232.90	-11.20	-4.59
Centamin	99.85	-4.75	-4.54

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Asml Holding	502.2	653.60	31.90
Novartis N	386.2	91.20	-2.10
Unicredit	382.8	18.69	0.36
Nestle N	260.1	114.63	-0.95
Roche Gs	252.1	296.09	-1.34
Lvmh	231.0	825.30	8.20
Intesa Sanpaolo	179.6	2.25	0.00
Novo Nordisk B A/s	178.5	150.47	-0.05
Dt.telekom Ag Na	164.7	21.17	-0.57
Enel	150.2	5.88	-0.08

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Mowi	16.65	0.98	6.28
Asml Holding	653.60	31.90	5.13
Atlas Copco Ab Ser. A	13.33	0.34	2.65
Dassault Systemes	40.00	1.02	2.62
Unicredit	18.69	0.36	1.98
Downs			
Totalenergies	55.29	-1.57	-2.76
Dt.telekom Ag Na	21.17	-0.57	-2.62
Neste	35.75	-0.91	-2.48
Eni	13.05	-0.32	-2.41
Infineon Tech.ag Na O.n.	33.20	-0.80	-2.35

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Advantest	1740.0	16340.00	2280.00
Tokyo Electron	928.7	18800.00	550.00
Mitsubishi Ufj Fin,.	637.3	912.60	-17.50
Rakuten .	590.7	588.00	4.00
Sony	532.1	13270.00	85.00
Toyota Motor	521.0	1938.50	-18.00
Keyence	428.5	69050.00	640.00
Softbank .	401.4	5065.00	7.00
Hitachi,	352.7	8057.00	-29.00
Sumitomo Mitsui Fin,.	343.3	5560.00	-82.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Advantest	16340.00	2280.00	16.22
Nippon Electric Glass Co.,	2673.00	114.00	4.45
Screen Holdings Co Ltd	13640.00	570.00	4.36
Sumco	2035.00	75.00	3.83
Yaskawa Electric	5970.00	200.00	3.47
Downs			
Daiichi Sankyo ,	4581.00	-210.00	-4.38
Kawasaki Kisen Kaisha,	3170.00	-135.00	-4.08
M3,.	3067.00	-108.00	-3.40
Sumitomo Osaka Cement Co.,	3420.00	-115.00	-3.25
T&d Holdings, .	1917.00	-59.00	-2.99

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	May 25 price(p)	%Chg week	%Chg ytd
Winners			
Admiral	2313.00	3.9	8.6
Scottish Mortgage Investment Trust	657.40	3.5	-9.1
Bt	145.10	3.1	29.5
Intertek	4218.00	2.5	4.6
Airtel Africa	117.80	2.1	5.4
Ocado	402.90	1.3	-
Sse	1857.50	1.1	8.9
Hiscox Ltd	1163.00	1.0	6.7
British Land	352.50	0.4	-
British American Tobacco	2663.00	0.3	-
Standard Chartered	643.80	0.2	3.7
Natwest	268.30	0.1	1.2
Losers			
Jd Sports Fashion	148.65	-13.9	18.1
Frasers	683.50	-11.9	-3.7
Persimmon	1219.50	-9.2	0.2
Burberry	2192.00	-8.2	8.0
Berkeley Holdings (the)	4002.00	-7.7	6.7
Convatec	209.00	-7.5	-
Rs	797.80	-7.5	-
Taylor Wimpey	117.40	-7.0	15.4
B&m Eur Value Retail S.a.	460.20	-6.7	11.3
Coca-cola Hbc Ag	2391.00	-6.2	20.6
Dcc	4683.00	-6.2	14.8
Entain	1387.00	-6.0	5.7

FTSE 250	May 25 price(p)	%Chg week	%Chg ytd
Winners			
Marks And Spencer	181.30	11.9	47.0
Puretech Health	225.00	8.4	-
Hill & Smith	1432.00	7.0	22.2
Workspace	496.60	5.9	11.9
Dowlais	138.50	5.8	-
Darktrace	292.00	5.0	12.9
Cls Holdings	138.00	4.7	-
Man	219.80	4.4	3.0
Icg Enterprise Trust	1168.00	3.9	-1.2
Bytes Technology	454.40	3.3	17.4
Allianz Technology Trust	251.50	3.1	19.8
Intermediate Capital	1334.00	3.0	16.2
Losers			
Future	767.00	-12.8	-
Dechra Pharmaceuticals	3184.00	-12.6	20.7
Vistry	751.00	-11.8	20.0
Jupiter Fund Management	109.60	-9.3	-
Bellway	2284.00	-8.6	19.7
Redrow	495.20	-8.6	9.5
Gcp Infrastructure Investments	81.80	-8.5	-
Easyjet	484.50	-8.2	50.0
Telecom Plus	1596.00	-7.9	-
Pets At Home	357.60	-7.8	26.1
Asos	418.10	-7.8	-
C&c	141.80	-7.8	-19.1

FTSE SmallCap	May 25 price(p)	%Chg week	%Chg ytd
Winners			
Ct Property Trust	78.20	25.7	15.7
Chrysalis Investments	69.10	15.6	-
Wanton	238.50	15.5	-
Topps Tiles	53.80	8.9	18.2
Alfa Fin Software Holdings	157.00	8.3	-5.4
Picton Property ome Ld	79.40	6.3	-0.6
Manchester & London Investment Trust	437.50	5.8	31.3
Luceco	129.00	5.7	31.4
Cqs Natural Resources Growth And ome	179.75	5.7	-9.7
Capital & Regional	58.10	5.6	-4.1
Treatt	724.00	4.9	15.8
Metro Bank Holdings	108.00	4.9	-
Losers			
Avon Protection	810.00	-16.3	-
Hochschild Mining	68.45	-14.1	0.4
Headlam	237.00	-12.5	-
Aptitude Software	310.00	-9.4	-
Restaurant	45.30	-8.3	45.6
Paypoint	392.00	-8.0	-
Kin And Carta	71.30	-7.9	-66.7
Hostelworld	123.00	-7.5	6.8
Pensionbee	68.50	-7.4	29.5
Abrdn Eur Logistics ome	75.00	-7.1	9.5
Palace Capital	227.00	-6.6	6.1
Mj Gleeson	432.00	-6.5	25.6

Industry Sectors	May 25 price(p)	%Chg week	%Chg ytd
Winners			
Automobiles & Parts	1878.18	4.2	26.6
Nonlife Insurance	3263.70	1.9	-2.4
Electricity	11255.84	1.1	5.9
Mobile Telecommunications	2210.38	-0.2	4.0
Tobacco	29075.92	-0.5	-
Banks	3592.06	-0.7	9.5
General Financial	13274.83	-0.9	14.5
General Retailers	3873.41	-0.9	15.2
Food Producers	6494.58	-1.0	14.6
Equity Investment Instruments	10967.18	-1.2	-2.7
General Industrials	6347.95	-1.4	4.9
Oil & Gas Producers	8106.45	-1.6	0.1
Losers			
Household Goods	11119.96	-7.9	12.2
Personal Goods	31101.88	-7.1	1.3
Electronic & Electrical Equip.	10044.72	-4.1	16.1
Aerospace & Defense	6297.83	-4.1	22.9
Life Insurance	6687.38	-3.6	-5.1
Real Estate & Investment Servic	2175.09	-3.4	2.6
Industrial Metals	6047.09	-3.4	-
Industrial Engineering	14075.73	-3.1	1.7
Pharmaceuticals & Biotech.	21393.50	-2.7	1.9
Media	9472.44	-2.6	4.4
Construction & Materials	7993.81	-2.6	16.5
Gas Water & Multiutilities index	6083.20	-2.6	7.3

Based on last week's performance. †Price at suspension.

CURRENCIES

May 25	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Argentina	Argentine Peso	235.7410	0.1632	252.9139	-0.6273	290.7762	-0.5281
Australia	Australian Dollar	1.5362	0.0066	1.6481	0.0018	1.8949	0.0034
Bahrain	Bahrainin Dinar	0.3770	-	0.4045	-0.0013	0.4650	-0.0012
Bolivia	Bolivian Boliviano	6.9100	-	7.4134	-0.0235	8.5232	-0.0214
Brazil	Brazilian Real	5.0023	0.0485	5.3666	0.0351	6.1701	0.0444
Canada	Canadian Dollar	1.3629	0.0040	1.4621	-0.0003	1.6810	0.0007
Chile	Chilean Peso	808.7300	-2.0700	867.6430	-4.9826	997.5331	-5.0637
China	Chinese Yuan	7.0679	0.0270	7.5828	0.0050	8.7179	0.0115
Colombia	Colombian Peso	4454.2050	-1.0550	4778.6779	-16.3077	5494.0678	-15.0975
Costa Rica	Costa Rican Colon	540.5200	0.3050	579.8949	-1.5129	666.7078	-1.2964
Czech Republic	Czech Koruna	22.0152	0.0162	23.6189	-0.0576	27.1548	-0.0482
Denmark	Danish Krone	6.9441	0.0229	7.4499	0.0010	8.5652	0.0068
Egypt	Egyptian Pound	30.8956	0.0327	33.1462	-0.0700	38.1084	-0.0552
Hong Kong	Hong Kong Dollar	7.8350	0.0056	8.4058	-0.0207	9.6641	-0.0174
Hungary	Hungarian Forint	347.6954	1.8185	373.0237	0.7728	428.8671	1.1721
India	Indian Rupee	82.7388	0.0662	88.7660	-0.2105	102.0546	-0.1743

May 25	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Indonesia	Indonesian Rupiah	14950.0000	50.0000	16039.0583	2.8807	18440.1819	15.5268
Israel	Israeli Shekel	3.7271	0.0085	3.9986	-0.0035	4.5972	-0.0010
Japan	Japanese Yen	139.7950	0.7950	149.9785	0.3794	172.4310	0.5502
..One Month		139.7943	0.7937	149.9781	0.3786	172.4303	0.5488
..Three Month		139.7930	0.7910	149.9772	0.3767	172.4288	0.5457
..One Year		139.7873	0.7797	149.9728	0.3679	172.4303	0.5400
Kenya	Kenyan Shilling	138.3000	0.2000	148.3746	-0.2558	170.5870	-0.1809
Kuwait	Kuwaiti Dinar	0.3076	0.0001	0.3300	-0.0009	0.3793	-0.0008
Malaysia	Malaysian Ringgit	4.6255	0.0340	4.9625	0.0208	5.7054	0.0277
Mexico	Mexican Peso	17.8223	-0.0018	19.1205	-0.0626	21.9830	-0.0573
New Zealand	New Zealand Dollar	1.6514	0.0143	1.7717	0.0098	2.0369	0.0126
Nigeria	Nigerian Naira	464.7500	-	498.6053	-1.5830	573.2488	-1.4390
Norway	Norwegian Krone	11.0374	0.0827	11.8414	0.0514	13.6142	0.0681
Pakistan	Pakistani Rupee	287.4250	0.9250	308.3628	0.0165	354.5262	0.2539
Peru	Peruvian Nuevo Sol	3.6990	0.0206	3.9685	0.0096	4.5626	0.0141
Philippines	Philippine Peso	56.0685	0.2865	60.1529	0.1174	69.1580	0.1807

May 25	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Poland	Polish Zloty	4.1996	0.0137	4.5055	0.0004	5.1800	0.0039
Romania	Romanian Leu	4.6148	0.0027	4.9510	-0.0128	5.6922	-0.0109
Russia	Russian Ruble	80.0200	-0.3300	85.8492	-0.6277	98.7012	-0.6558
Saudi Arabia	Saudi Riyal	3.7500	-0.0003	4.0232	-0.0131	4.6255	-0.0120
Singapore	Singapore Dollar	1.3543	0.0050	1.4529	0.0008	1.6704	0.0020
South Africa	South African Rand	19.6625	0.4562	21.0948	0.4241	24.2528	0.5033
South Korea	South Korean Won	1325.9500	8.6500	1422.5407	4.7931	1635.5014	6.5907
Sweden	Swedish Krona	10.8198	0.0993	11.6080	0.0700	13.3458	0.0892
Switzerland	Swiss Franc	0.9050	0.0004	0.9710	-0.0027	1.1163	-0.0023
Taiwan	New Taiwan Dollar	30.7895	-0.0015	33.0324	-0.1065	37.9775	-0.0972
Thailand	Thai Baht	34.6050	0.0675	37.1258	-0.0452	42.6838	-0.0237
Tunisia	Tunisian Dinar	3.1128	0.0110	3.3395	0.0013	3.8394	0.0040
Turkey	Turkish Lira	19.9335	0.0388	21.3856	-0.0262	24.5871	-0.0138
United Arab Emirates	UAE Dirham	3.6723	-	3.9398	-0.0125	4.5296	-0.0114
United Kingdom	Pound Sterling	0.8107	0.0020	0.8698	-0.0006	-	-
..One Month		0.8108	0.0020	0.8697	-0.0006	-	-

May 25	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
..Three Month		0.8109	0.0020	0.8695	-0.0006	-	-
..One Year		0.8106	0.0020	0.8682	-0.0007	-	-
United States	United States Dollar	-	-	1.0728	-0.0034	1.2335	-0.0031
..One Month		-	-	1.0727	-0.1637	1.2335	-0.0031
..Three Month		-	-	1.0723	-0.1637	1.2336	-0.0031
..One Year		-	-	1.0710	-0.1638	1.2333	-0.0031
Vietnam	Vietnamese Dong	23466.5000	-3.5000	25175.9801	-83.6893	28944.9843	-76.9476
European Union	Euro	0.9321	0.0030	-	-	1.1497	0.0008
..One Month		0.9319	0.0029	-	-	1.1496	0.0008
..Three Month		0.9315	0.0030	-	-	1.1494	0.0008
..One Year		0.9302	0.0029	-	-	1.1481	0.0007

Rates are derived from WM Reuters Spot Rates and MorningStar (latest rates at time of production). Some values are rounded. Currency redenominated by 1000. The exchange rates printed in this table are also available at www.FT.com/marketsdata

FTSE ACTUARIES SHARE INDICES

UK SERIES www.ft.com/equities

Produced in conjunction with the Institute and Faculty of Actuaries

	£ Strlg May 25	Day's chge%	Euro Index	£ Strlg May 24	£ Strlg May 23	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	7570.87	-0.74	6783.76	7627.10	7762.95	7522.75	3.74	1.85	14.45	145.58	7926.87
FTSE 250 (250)	18840.75	-0.48	16881.97	18931.16	19208.31	19934.04	3.35	0.65	45.88	261.51	15908.30
FTSE 250 ex Inv Co (169)	19415.70	-0.56	17397.15	19525.91	19857.16	20679.07	3.48	0.89	32.25	278.83	16735.43
FTSE 350 (350)	4169.94	-0.70	3736.41	4199.37	4272.29	4181.75	3.68	1.70	15.99	77.06	8657.99
FTSE 350 ex Investment Trusts (266)	4118.73	-0.74	3690.53	4149.47	4222.99	4122.72	3.73	1.79	14.98	77.68	4421.21
FTSE 350 Higher Yield (135)	3515.88	-1.11	3150.35	3555.30	3610.78	3676.93	5.12	1.72	11.36	86.77	8286.65
FTSE 350 Lower Yield (215)	4417.18	-0.29	3957.95	4430.12	4514.85	4240.50	2.26	1.65	26.89	54.34	5507.98
FTSE SmallCap (226)	6177.27	-0.03	5535.05	6179.36	6247.09	6604.60	3.63	-0.55	-49.84	89.16	10554.34
FTSE SmallCap ex Inv Co (119)	5003.69	-0.47	4483.48	5027.34	5067.52	5561.98	3.75	1.24	21.43	75.33	8892.89
FTSE All-Share (576)	4128.33	-0.69	3699.13	4156.82	4228.38	4147.08	3.68	1.65	16.49	75.90	8655.03
FTSE All-Share ex Inv Co (385)	4043.52	-0.74	3623.14	4073.56	4145.25	4053.63	3.73	1.78	15.03	76.07	4406.76
FTSE All-Share ex Multinationals (515)	1080.32	-0.69	803.16	1087.84	1106.50	1151.71	4.10	1.12	21.68	18.76	2343.65
FTSE Fledgling (78)	11623.06	-0.26	10414.67	11653.13	11657.19	12757.85	3.20	-1.40	-22.30	145.33	25543.24
FTSE Fledgling ex Inv Co (30)	15817.88	-0.41	14173.37	15882.70	15785.54	18022.83	3.46	6.21	4.65	234.78	33802.52
FTSE All-Small (304)	4310.55	-0.05	3862.41	4312.58	4357.20	4614.62	3.61	-0.60	-46.49	61.74	9445.46
FTSE All-Small ex Inv Co (149)	3771.39	-0.47	3379.30	3789.12	3817.24	4195.41	3.74	1.43	18.70	56.72	8488.59
FTSE AIM All-Share (719)	792.54	-0.49	710.14	796.47	808.04	952.93	1.79	1.69	32.92	5.16	937.81
FTSE All-Share Technology (18)	2047.73	0.04	1738.53	2046.91	2086.52	1795.56	1.87	1.55	34.53	15.28	2990.03
FTSE All-Share Telecommunications (6)	1419.05	-2.41	1204.77	1454.04	1462.77	2083.34	7.42	1.33	10.15	1.03	2181.57
FTSE All-Share Health Care (13)	14934.15	-1.26	12679.10	15124.59	15405.31	15010.84	2.40	1.14	36.72	216.02	14032.92
FTSE All-Share Financials (254)	4738.65	0.14	4023.11	4732.09	4847.27	4531.04	3.97	1.55	16.21	123.16	5412.74
FTSE All-Share Real Estate (54)	800.01	-1.61	710.53	813.08	830.36	1078.53	4.48	-0.55	-40.89	14.41	859.46
FTSE All-Share Consumer Discretionary (82)	5059.71	-0.10	4295.70	5064.86	5177.20	4607.37	2.25	1.29	34.33	54.94	5426.83
FTSE All-Share Consumer Staples (22)	18801.02	-0.94	15962.07	18978.78	19153.67	19101.07	4.15	1.64	14.68	322.38	17594.92
FTSE All-Share Industrials (84)	6760.71	0.00	5739.84	6760.94	6868.08	6042.77	2.29	1.13	38.51	83.74	7929.85
FTSE All-Share Basic Materials (21)	7370.89	-0.59	6257.89	7414.94	7582.44	9305.01	6.91	3.43	4.22	248.04	10356.32
FTSE All-Share Energy (14)	8380.41	-2.26	7114.97	8574.58	8645.88	8328.83	4.06	1.73	14.22	176.44	10400.27
FTSE All-Share Utilities (8)	9099.72	-1.27	7725.67	9216.47	9290.21	9746.48	4.30	0.74	31.53	42.27	13960.01
FTSE All-Share Software and Computer Services (16)	2218.07	0.04	1883.14	2217.09	2259.24	1931.72	1.85	1.57	34.41	16.07	3425.82
FTSE All-Share Technology Hardware and Equipment (2)	3969.31	-0.26	3369.95	3979.83	4158.58	4943.92	3.30	0.65	46.73	89.37	5255.72
FTSE All-Share Telecommunications Equipment (1)	402.59	0.06	341.80	402.37	410.86	505.64	3.49	2.14	13.37	9.21	589.18
FTSE All-Share Telecommunications Service Providers (5)	2207.04	-2.49	1873.77	2263.34	2275.81	3252.74	7.56	1.31	10.07	0.00	3091.17
FTSE All-Share Health Care Providers (2)	11279.69	-0.82	9576.46	11372.58	11412.22	8980.20	0.48	2.90	71.76	18.58	10486.50
FTSE All-Share Medical Equipment and Services (2)	5823.82	-0.62	4944.42	5860.01	6041.59	6136.34	2.59	1.16	33.24	92.56	5720.55
FTSE All-Share Pharmaceuticals and Biotechnology (9)	21333.96	-1.30	18112.54	21613.99	22004.04	21432.83	2.39	1.13	36.87	310.15	18052.15
FTSE All-Share Banks (12)	3543.91	0.15	3008.78	3538.67	3631.75	3201.07	4.54	2.67	8.26	136.68	3257.03
FTSE All-Share Finance and Credit Services (8)	11443.59	0.24	9715.61	11416.28	11651.08	10216.22	1.84	1.87	29.11	148.60	15591.23
FTSE All-Share Investment Banking and Brokerage Services (31)	9005.28	-0.34	7645.49	9036.27	9249.08	8711.99	4.97	2.37	8.51	178.39	12983.69
FTSE All-Share Closed End Investments (191)	11311.25	0.12	9603.26	11297.56	11425.02	11701.83	2.88	-1.03	-33.57	133.74	7177.63
FTSE All-Share Life Insurance (6)	6804.51	0.25	5777.03	6787.42	7158.07	6768.97	4.73	0.57	36.87	215.96	8591.49
FTSE All-Share Nonlife Insurance (6)	3682.21	1.19	3126.20	3639.07	3686.71	3453.55	4.56	1.24	17.73	56.37	7966.11
FTSE All-Share Real Estate Investment and Services (10)	2086.21	-1.62	1771.19	2120.51	2162.29	2525.52	2.38	1.65	25.39	27.21	6325.47
FTSE All-Share Real Estate Investment Trusts (44)	1976.80	-1.60	1678.30	2009.04	2052.33	2718.07	4.87	-0.75	-27.51	37.49	3063.57
FTSE All-Share Automobiles and Parts (3)	1887.80	1.97	1602.74	1851.33	1852.25	1971.18	0.24	-25.17	-16.77	2.74	1966.87
FTSE All-Share Consumer Services (1)	3639.67	0.91	3090.08	3606.70	3647.91	2878.73	1.43	1.37	51.05	36.27	4670.37
FTSE All-Share Household Goods and Home Construction (11)	9266.16	-0.39	7866.98	9302.30	9731.43	10775.31	7.41	1.95	6.91	287.42	8599.58
FTSE All-Share Leisure Goods (2)	25234.57	0.40	21424.16	25133.53	25640.99	18042.14	3.56	1.14	24.56	666.68	28957.51
FTSE All-Share Personal Goods (4)	26707.00	-1.12	22674.25	27009.88	27499.54	22839.61	2.12	3.04	15.55	21.42	21022.14
FTSE All-Share Media (10)	9724.16	-0.59	8255.82	9781.99	9976.82	9125.89	2.41	2.01	20.70	128.39	6926.59
FTSE All-Share Retailers (22)	2100.61	-1.29	1783.42	2128.09	2146.03	2014.50	2.65	3.04	12.40	17.72	2765.90
FTSE All-Share Travel and Leisure (29)	7440.10	0.59	6316.65	7396.30	7619.13	6380.69	0.72	-6.71	-20.81	34.10	7732.89
FTSE All-Share Beverages (5)	27030.64	-0.70	22949.03	27222.08	27570.18	27783.53	2.28	2.31	18.96	269.35	21892.79
FTSE All-Share Food Producers (8)	6655.40	0.44	5650.44	6626.36	6710.65	6368.27	2.28	2.44	18.00	2.98	6485.78
FTSE All-Share Tobacco (2)	29075.97	-3.00	24685.51	29976.32	30073.68	37384.17	8.28	1.58	7.66	752.81	28312.29
FTSE All-Share Construction and Materials (15)	8478.81	0.09	7198.51	8471.20	8604.22	7394.74	2.98	0.53	63.45	176.01	10564.85
FTSE All-Share Aerospace and Defense (8)	6598.67	0.13	5602.28	6589.89	6711.61	4909.62	1.87	0.16	334.33	74.85	8138.64
FTSE All-Share Electronic and Electrical Equipment (11)	11806.46	0.55	10023.69	11741.50	11966.27	10440.92	1.53	2.32	28.25	72.60	11767.74
FTSE All-Share General Industrials (7)	5107.57	-0.19	4336.33	5117.51	5175.69	4867.51	3.43	1.32	22.07	93.04	6883.07
FTSE All-Share Industrial Engineering (6)	15538.07	-0.15	13191.83	15561.04	15887.20	14608.81	2.01	2.38	20.83	210.47	21137.02
FTSE All-Share Industrial Support Services (29)	9972.59	-0.49	8466.73	10022.04	10129.06	9535.55	2.07	1.57	30.74	107.81	11611.62
FTSE All-Share Industrial Transportation (8)	5260.09	0.97	4465.82	5209.66	5352.12	4689.50	2.19	0.87	52.32	16.99	5533.15
FTSE All-Share Industrial Materials (1)	18803.51	0.27	606.48	18753.50	18253.41	15002.80	1.81	1.34	41.29	231.04	24051.96
FTSE All-Share Industrial Metals and Mining (8)	6515.99	-0.47	5532.08	6546.43	6704.69	8358.12	7.50	3.54	3.77	242.91	10340.31
FTSE All-Share Precious Metals and Mining (5)	10104.40	-2.00	8578.64	10310.23	10422.04	10235.22	3.70	1.61	16.77	131.63	7217.99
FTSE All-Share Chemicals (7)	11880.58	-1.19	10086.62	12023.24	12188.33	14077.31	2.98	1.81	18.51	109.16	12036.07
FTSE All-Share Oil. Gas and Coal (13)	8135.32	-2.27	6906.89	8323.89	8393.02	8083.45	4.06	1.73	14.21	171.30	10470.56
FTSE Sector Indices											
Non Financials (322)	**5002.32**	**-0.93**	**4482.25**	**5049.36**	**5125.55**	**5096.45**	**3.59**	**1.68**	**16.58**	**80.61**	**9207.63**

Hourly movements	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High/day	Low/day
FTSE 100	7598.99	7585.08	7609.97	7615.47	7609.28	7606.88	7609.28	7576.82	7592.70	7621.52	7569.33
FTSE 250	18931.55	18827.25	18849.72	18881.87	18899.94	18913.65	18934.28	18914.90	18882.03	18944.51	18808.16
FTSE SmallCap	6181.69	6168.99	6167.24	6169.57	6169.59	6174.18	6183.42	6183.10	6178.11	6183.42	6167.09
FTSE All-Share	4144.01	4134.30	4146.34	4149.86	4147.58	4146.96	4148.83	4133.38	4139.58	4152.65	4128.33

Time of FTSE 100 Day's high:09:46:15 Day's Low13:54:00 FTSE 100 2010/11 High: 8014.31(20/02/2023) Low: 7335.40(17/03/2023)
Time of FTSE All-Share Day's high:10:37:00 Day's Low15:40:17 FTSE 100 2010/11 High: 4377.36(16/02/2023) Low: 4007.66(17/03/2023)

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FT 30 INDEX

	May 25	May 24	May 23	May 22	May 19	Yr Ago	High	Low
FT 30	2766.90	2783.60	2830.10	2836.70	2827.00	0.00	2895.30	2454.10
FT 30 Div Yield	-	-	-	-	-	0.00	3.93	2.74
P/E Ratio net	-	-	-	-	-	0.00	19.44	14.26

FT 30 hourly changes

8	9	10	11	12	13	14	15	16	High	Low
2783.6	2766.8	2773.1	2775.5	2777.2	2777.9	2778.6	2772.9	2775.8	2785.1	2762.4

FT30 constituents and recent additions/deletions can be found at www.ft.com/ft30

FT WILSHIRE 5000 INDEX SERIES

	May 24		May 24
FT Wilshire 5000	41485.83	FT Wilshire Mid Cap	5286.54
FT Wilshire 2500	5320.34	FT Wilshire Small Cap	4789.74
FT Wilshire Mega Cap	5413.76	FT Wilshire Micro Cap	4473.82
FT Wilshire Large Cap	5393.87		

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FTSE GLOBAL EQUITY INDEX SERIES

May 25 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	9497	721.07	-1.0	-1.3	6.0	1169.58	7.1	2.3
FTSE Global All Cap	9497	721.07	-1.0	-1.3	6.0	1169.58	7.1	2.3
FTSE Global Large Cap	1936	653.83	-0.9	-0.8	7.5	1093.53	8.7	2.3
FTSE Global Mid Cap	2226	897.16	-1.2	-3.2	1.6	1368.15	2.5	2.3
FTSE Global Small Cap	5335	921.48	-1.2	-1.9	2.2	1342.29	3.1	2.2
FTSE All-World	4162	425.62	-1.0	-1.2	6.4	731.23	7.5	2.3
FTSE World	2656	775.53	-1.0	-1.2	7.1	1788.45	8.3	2.3
FTSE Global All Cap ex UNITED KINGDOM In	9216	760.99	-0.9	-1.2	6.0	1210.23	7.1	2.2
FTSE Global All Cap ex USA	7706	512.90	-1.4	-2.4	4.9	928.10	6.5	3.2
FTSE Global All Cap ex JAPAN	8075	750.54	-1.0	-1.5	5.9	1227.94	7.0	2.3
FTSE Global All Cap ex Eurozone	8853	759.20	-0.9	-0.9	5.6	1203.46	6.6	2.2
FTSE Developed	2147	712.24	-1.0	-1.2	7.2	1163.30	8.3	2.1
FTSE Developed All Cap	5778	738.47	-1.0	-1.3	6.7	1188.14	7.8	2.1
FTSE Developed Large Cap	815	674.86	-0.9	-0.8	8.5	1122.18	9.7	2.1
FTSE Developed Europe Large Cap	205	413.25	-1.9	-4.7	9.2	838.51	11.7	3.2
FTSE Developed Europe Mid Cap	346	607.83	-2.2	-5.1	7.3	1062.83	9.0	3.1
FTSE Dev Europe Small Cap	738	831.38	-2.3	-4.1	3.9	1400.35	5.8	3.2
FTSE North America Large Cap	234	894.96	-0.7	0.1	8.9	1356.34	9.7	1.7
FTSE North America Mid Cap	413	1092.56	-1.0	-3.3	0.0	1531.71	0.7	1.8
FTSE North America Small Cap	1320	1079.39	-1.2	-1.9	1.7	1449.12	2.3	1.7
FTSE North America	647	578.48	-0.7	-0.6	7.2	896.37	7.9	1.7
FTSE Developed ex North America	1500	278.96	-1.6	-2.7	7.2	545.07	9.2	3.1
FTSE Japan Large Cap	175	404.67	-0.6	2.9	9.1	603.27	10.4	2.4
FTSE Japan Mid Cap	339	556.12	-1.1	0.8	5.1	788.21	6.5	2.5
FTSE Global wi JAPAN Small Cap	908	610.85	-0.8	-1.0	2.7	900.55	4.3	2.8
FTSE Japan	514	165.80	-0.7	2.5	8.3	276.83	9.6	2.4
FTSE Asia Pacific Large Cap ex Japan	1123	673.58	-1.1	-1.4	0.3	1241.89	1.2	3.2
FTSE Asia Pacific Mid Cap ex Japan	838	977.08	-0.7	-1.2	1.6	1738.00	2.3	3.2
FTSE Asia Pacific Small Cap ex Japan	2095	550.52	-0.6	-0.8	3.1	949.11	3.8	2.9
FTSE Asia Pacific Ex Japan	1961	537.57	-1.0	-1.4	0.4	1053.42	1.3	3.2
FTSE Emerging All Cap	3719	705.90	-0.7	-1.0	0.2	1245.13	1.2	3.6
FTSE Emerging Large Cap	1121	648.86	-0.8	-1.1	-0.2	1150.72	0.7	3.6
FTSE Emerging Mid Cap	894	1030.87	-0.4	-1.6	0.8	1835.13	2.2	3.8
FTSE Emerging Small Cap	1704	775.87	-0.2	0.5	3.0	1307.33	3.9	3.3
FTSE Emerging Europe	147	121.57	-1.0	-7.3	-5.4	259.35	-3.8	3.3
FTSE Latin America All Cap	251	749.54	-0.2	2.9	7.4	1535.42	10.2	9.2
FTSE Middle East and Africa All Cap	330	689.99	-0.6	-3.3	-4.7	1292.07	-2.7	3.7
FTSE Global wi UNITED KINGDOM All Cap In	281	330.57	-2.2	-4.2	5.2	689.40	7.1	3.7
FTSE Global wi USA All Cap	1791	989.40	-0.7	-0.6	6.8	1444.86	7.5	1.6
FTSE Europe All Cap	1471	464.20	-2.0	-4.7	8.2	902.81	10.5	3.1
FTSE Eurozone All Cap	644	459.08	-1.9	-5.2	10.8	886.46	13.3	3.1
FTSE EDHEC-Risk Efficient All-World	4162	467.54	-1.1	-3.3	0.9	746.44	2.0	2.7
FTSE EDHEC-Risk Efficient Developed Europe	551	334.20	-2.1	-5.3	6.5	599.73	8.6	3.2
Oil & Gas	133	387.83	0.0	-5.6	-5.1	813.02	-3.3	4.9
Oil & Gas Producers	88	390.67	0.0	-5.3	-4.1	842.27	-2.2	5.2

May 25 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil Equipment & Services	25	255.04	-0.2	-6.6	-8.2	482.80	-6.7	4.8
Basic Materials	404	584.48	-1.5	-6.2	-2.2	1096.93	-0.6	4.3
Chemicals	201	797.79	-1.0	-4.8	2.4	1434.10	3.6	3.2
Forestry & Paper	19	235.15	-1.5	-0.4	-6.7	487.50	-4.6	4.2
Industrial Metals & Mining	104	482.14	-1.6	-8.2	-2.5	941.67	-0.9	4.8
Mining	80	896.62	-2.4	-7.7	-8.3	1788.26	-6.3	5.8
Industrials	810	506.90	-1.4	-2.6	3.9	818.34	5.0	2.1
Construction & Materials	163	606.20	-1.2	-1.1	8.8	1033.81	10.1	2.2
Aerospace & Defense	36	906.55	-1.1	-5.9	0.2	1426.80	0.9	1.6
General Industrials	78	253.43	-1.5	-1.7	6.2	455.09	7.7	2.5
Electronic & Electrical Equipment	158	636.17	-1.5	-0.9	6.1	920.87	6.7	1.6
Industrial Engineering	159	1009.41	-1.7	-3.3	2.7	1626.64	3.9	2.2
Industrial Transportation	129	913.04	-1.7	-5.7	1.2	1511.52	2.7	3.6
Support Services	87	521.99	-0.9	-0.3	3.3	783.33	4.0	1.6
Consumer Goods	562	573.00	-1.0	-2.7	6.6	977.69	7.8	2.4
Automobiles & Parts	132	515.73	-0.9	4.1	18.3	849.55	20.4	2.3
Beverages	71	787.38	-1.0	-3.3	1.6	1351.96	2.4	2.3
Food Producers	137	742.54	-0.6	-2.7	3.0	1301.12	4.6	2.5
Household Goods & Home Construction	61	555.95	-0.9	-4.2	3.5	950.12	4.8	2.6
Leisure Goods	54	257.83	-1.2	0.4	12.2	367.44	13.0	1.2
Personal Goods	94	973.29	-1.7	-9.2	5.3	1513.17	6.1	1.8
Tobacco	13	933.64	-0.4	-4.8	-6.4	2729.49	-4.9	6.7
Health Care	337	719.98	-0.9	-3.9	-1.2	1159.66	-0.2	1.8
Health Care Equipment & Services	131	1353.16	-0.9	-4.9	-1.9	1668.61	-1.5	1.1
Pharmaceuticals & Biotechnology	206	491.53	-0.9	-3.2	-0.7	854.26	0.6	2.3
Consumer Services	424	557.02	-0.6	-1.1	8.5	800.45	9.1	1.2
Food & Drug Retailers	69	300.86	-0.5	-3.4	-4.3	484.55	-3.2	2.5
General Retailers	139	972.91	-0.4	0.3	9.2	1336.71	9.7	1.0
Media	75	320.67	-0.7	-2.4	10.7	463.98	11.3	1.3
Travel & Leisure	141	492.00	-1.3	-2.4	11.1	722.73	11.7	1.2
Telecommunication	83	129.77	-0.8	-3.4	0.8	312.28	2.7	4.3
Fixed Line Telecommuniations	29	102.09	-0.7	-4.3	1.4	283.11	3.4	5.2
Mobile Telecommunications	54	152.74	-0.8	-2.9	0.5	316.12	2.2	3.9
Utilities	201	313.92	-0.7	-4.8	-2.5	747.52	-1.0	3.5
Electricity	145	352.73	-0.5	-4.4	-3.5	825.63	-2.1	3.3
Gas Water & Multiutilities	56	315.37	-1.1	-5.7	-0.2	780.65	1.7	3.9
Financials	853	253.32	-1.5	-3.6	-2.4	496.14	-0.8	3.4
Banks	271	190.66	-1.5	-3.3	-3.8	419.05	-1.6	4.5
Nonlife Insurance	72	367.44	-1.6	-2.8	0.4	627.19	2.5	3.0
Life Insurance	51	212.51	-2.2	-4.6	-6.7	417.44	-5.1	4.2
Financial Services	213	427.25	-1.3	-3.4	0.7	654.92	1.5	1.8
Technology	355	564.53	-0.7	6.3	27.6	740.50	28.2	0.9
Software & Computer Services	180	861.94	-0.6	8.1	27.2	1046.49	27.6	0.6
Technology Hardware & Equipment	175	494.54	-0.7	4.4	28.2	699.11	28.8	1.3
Alternative Energy	20	158.61	-0.6	-7.4	-13.3	227.67	-13.3	0.3
Real Estate Investment & Services	139	235.58	-1.2	-3.6	-6.2	465.61	-4.9	3.4
Real Estate Investment Trusts	107	413.52	-2.0	-5.1	-5.0	986.63	-3.8	4.3
FTSE Global Large Cap	1936	653.83	-0.9	-0.8	7.5	1093.53	8.7	2.3

The FTSE Global Equity Series, launched in 2003, contains the FTSE Global Small Cap Indices and broader FTSE Global All Cap Indices (large/mid/small cap) as well as the enhanced FTSE All-World index Series (large/mid cap) - please see https://research.ftserussell.com/Products/indices/Home/indexfiltergeis?indexName=GEISAC&currency=USD&rtn=CAP&segment=global-developed--emerging. The trade names Fundamental Index® and RAFI® are registered trademarks and the patented and patent-pending proprietary intellectual property of Research Affiliates, LLC (US Patent Nos. 7,620,577; 7,747,502; 7,778,905; 7,792,719; Patent Pending Publ. Nos. US-2006-0149645-A1, US-2007-0055598-A1, US-2008-0288416-A1, US-2010- 0063942-A1, WO 2005/076812, WO 2007/078399 A2, WO 2008/118372, EPN 1733352, and HK1099110). "EDHEC™" is a trade mark of EDHEC Business School As of January 2nd 2006, FTSE is basing its sector indices on the Industrial Classification Benchmark - please see www.ftse.com/icb. For constituent changes and other information about FTSE, please see www.ftse.com. © FTSE International Limited. 2013. All Rights reserved. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence.

FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

Automobiles & Parts	26.17	Utilities	6.87	Oil & Gas	-0.23
Aerospace & Defense	22.66	Industrial Eng	6.15	Personal Goods	-0.26
Fixed Line Telecomms	20.51	Electricity	5.49	Industrial Metals &	-0.91
Travel & Leisure	19.77	Media	5.28	FTSE SmallCap Index	-1.01
Construct & Material	16.54	Health Care Eq & Srv	4.02	Nonlife Insurance	-2.27
Electronic & Elec Eq	16.12	Support Services	3.76	Equity Invest Instr	-2.31
Food Producers	13.33	Telecommunications	3.54	Consumer Goods	-2.90
Consumer Services	12.78	Financials	3.31	Real Est Invest & Tr	-2.90
Food & Drug Retailer	11.40	Real Est Invest & Se	2.48	Beverages	-3.30
General Retailers	11.35	Technology	2.17	Mobile Telecomms	-3.50
Household Goods & Ho	10.97	Health Care	1.88	Life Insurance	-5.13
Financial Services	10.21	Pharmace & Biotech	1.75	Chemicals	-8.14
Leisure Goods	9.40	FTSE 100 Index	1.60	Oil Equipment & Serv	-8.32
Industrials	9.31	FTSE All{HY-}Share Index	1.31	Industrial Transport	-10.89
Banks	9.18	NON FINANCIALS Index	0.57	Tobacco	-18.43
Gas Water & Multi	7.38	Beverages	31.66	Basic Materials	-21.03
Software & Comp Serv	6.88	FTSE 250 Index	-0.06	Mining	-22.37
		Oil & Gas Producers	-0.18	Tech Hardware & Eq	-22.81

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change	FTSE 100	Closing Price	Day's Change
3I Group PLC	1903.5	5.00	Jd Sports Fashion PLC	148.65	-1.80
Abrdn PLC	198.80	-2.90	Johnson Matthey PLC	1801	-60.00
Admiral Group PLC	2313	34.00	Kingfisher PLC	233.00	-7.50
Airtel Africa PLC	117.80	0.20	Land Securities Group PLC	614.40	-9.60
Anglo American PLC	2267	-11.50	Legal & General Group PLC	228.00	-1.60
Antofagasta PLC	1350	-8.00	Lloyds Banking Group PLC	45.83	-0.94
Ashtead Group PLC	4836	56.00	London Stock Exchange Group PLC	8338	36.00
Associated British Foods PLC	1837.5	-11.50	M&G PLC	192.05	-2.25
Astrazeneca PLC	11642	-152.00	Melrose Industries PLC	477.70	0.20
Auto Trader Group PLC	615.00	-0.20	Mondi PLC	1269	-23.50
Aviva PLC	400.10	1.20	National Grid PLC	1083.5	-15.00
B&M European Value Retail S.A.	460.20	-5.00	Natwest Group PLC	268.30	0.20
Bae Systems PLC	947.40	-3.40	Next PLC	6420	-28.00
Barclays PLC	156.98	-1.68	Ocado Group PLC	402.90	-8.90
Barratt Developments PLC	477.60	0.30	Pearson PLC	801.00	-16.60
Beazley PLC	606.50	3.00	Pershing Square Holdings LTD	2756	68.00
Berkeley Group Holdings (The) PLC	4002	-23.00	Persimmon PLC	1219.5	4.50
BP PLC	474.95	-11.55	Phoenix Group Holdings PLC	555.80	0.80
British American Tobacco PLC	2663	-73.50	Prudential PLC	1109.5	8.00
British Land Company PLC	352.50	-4.10	Reckitt Benckiser Group PLC	6362	-24.00
Bt Group PLC	145.10	-3.70	Relx PLC	2450	-14.00
Bunzl PLC	3149	35.00	Rentokil Initial PLC	629.60	1.20
Burberry Group PLC	2192	-30.00	Rightmove PLC	524.80	-8.20
Centrica PLC	116.25	2.65	Rio Tinto PLC	4758	-16.00
Coca-Cola Hbc AG	2391	-109.00	Rolls-Royce Holdings PLC	148.80	1.95
Compass Group PLC	2208	20.00	Rs Group PLC	797.80	9.00
Convatec Group PLC	209.00	-	Sage Group PLC	848.80	4.40
Crh PLC	3893	6.00	Sainsbury (J) PLC	275.10	-3.80
Croda International PLC	6196	-28.00	Schroders PLC	451.00	-1.30
Dcc PLC	4683	-185.00	Scottish Mortgage Investment Trust PLC	657.40	12.60
Diageo PLC	3475	-16.50	Segro PLC	785.00	-12.60
Endeavour Mining PLC	1966	-26.00	Severn Trent PLC	2724	-21.00
Entain PLC	1387	-30.50	Shell PLC	2340.5	-52.00
Experian PLC	2778	-7.00	Smith & Nephew PLC	1220	-10.00
F&C Investment Trust PLC	882.00	9.00	Smith (Ds) PLC	310.50	-0.50
Flutter Entertainment PLC	15915	315.00	Smiths Group PLC	1628.5	-
Frasers Group PLC	683.50	-22.00	Smurfit Kappa Group PLC	2936	-22.00
Fresnillo PLC	652.60	-8.60	Spirax-Sarco Engineering PLC	10970	125.00
Glaxosmithkline PLC	1384.6	-24.20	Sse PLC	1857.5	-42.50
Glencore PLC	416.40	-2.80	St. James's Place PLC	1105	-1.00
Haleon PLC	328.05	-4.55	Standard Chartered PLC	643.80	3.20
Halma PLC	2372	32.00	Taylor Wimpey PLC	117.40	-0.10
Hargreaves Lansdown PLC	791.80	-7.80	Tesco PLC	265.00	-0.70
Hiscox LTD	1163	11.00	Unilever PLC	4167.5	-4.50
HSBC Holdings PLC	606.40	6.20	Unite Group PLC	886.00	-8.50
Imperial Brands PLC	1722	-75.00	United Utilities Group PLC	1001.5	-13.50
Informa PLC	699.80	5.40	Vodafone Group PLC	81.06	-2.33
Intercontinental Hotels Group PLC	5286	32.00	Weir Group PLC	1707	-28.00
International Consolidated Airlines Group S.A.	157.70	0.45	Whitbread PLC	3272	-8.00
Intertek Group PLC	4218	-115.00	Wpp PLC	865.80	-7.80

UK STOCK MARKET TRADING DATA

	May 25	May 24	May 23	May 22	May 19	Yr Ago
Order Book Turnover (m)	83.15	100.81	62.99	186.40	186.40	186.40
Order Book Bargains	538706.00	492748.00	459892.00	467183.00	467183.00	467183.00
Order Book Shares Traded (m)	2688.00	3121.00	3337.00	2231.00	2231.00	2231.00
Total Equity Turnover (£m)	8085.45	12079.15	8115.12	6450.05	6450.05	6450.05
Total Mkt Bargains	707537.00	680916.00	632892.00	652361.00	652361.00	652361.00
Total Shares Traded (m)	8413.00	9333.00	8015.00	5943.00	5943.00	5943.00

† Excluding intra-market and overseas turnover. *UK only total at 6pm. ‡ UK plus intra-market turnover. (u) Unavaliable. (c) Market closed.

All data provided by Morningstar unless otherwise noted. All elements listed are indicative and believed accurate at the time of publication. No offer is made by Morningstar or the FT. The FT does not warrant nor guarantee that the information is reliable or complete. The FT does not accept responsibility and will not be liable for any loss arising from the reliance on or use of the listed information.
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UK RIGHTS OFFERS

Issue price	Amount paid up	Latest renun. date	High	Low	Stock	closing Price p	+or-

There are currently no rights offers by any companies listed on the LSE.

UK COMPANY RESULTS

Company		Turnover		Pre-tax		EPS(p)		Div(p)		Pay day	Total	
AJ Bell	Int	**103.611**	75.528	**41.903**	26.116	**7.990**	5.100	**3.50000**	2.78000	Jun 30	**8.090**	7.280
Drumz	Pre			**0.341L**	0.422L	**80.000L**	120.000L	**0.00000**	0.00000	-	**0.000**	0.000
EMIS Group	Pre	**175.373**	168.226	**38.934**	36.086	**52.500**	46.200	**21.10000**	17.60000	Jul 11	**38.700**	35.200
Johnson Matthey	Pre	**14933.000**	16025.000	**344.000**	195.000	**150.900**	52.600L	**55.00000**	55.00000	Aug 1	**77.000**	77.000
Pathfinder Minerals	Pre	**0.000**	0.000	**0.376L**	0.367L	**0.070L**	0.070L	**0.00000**	0.00000	-	**0.000**	0.000
Pets at Home Group	Pre	**1404.200**	1317.800	**122.500**	148.700	**20.500**	24.900	**0.00000**	7.50000	-	**4.500**	11.800
QinetiQ Group	Pre	**1580.700**	1320.400	**192.000**	125.900	**26.800**	15.700	**5.30000**	5.00000	Aug 24	**7.700**	7.300
RA International Group	Pre	**62.917**	54.595	**12.997L**	32.160L	**0.076L**	0.187L	**0.00000**	0.00000	-	**0.000**	0.000
ReNeuron Group	Pre	**0.530**	0.403	**6.657L**	11.058L	**9.500L**	17.000L	**0.00000**	0.00000	-	**0.000**	0.000
Shires Income	Pre			**1.929L**	9.156	**6.570L**	29.480	**0.00000**	4.20000	-	**3.200**	7.400
Tate & Lyle	Pre	**1751.000**	1375.000	**152.000**	42.000	**47.000**	50.700	**13.10000**	12.80000	Aug 2	**18.500**	23.300
United Utilities Group	Pre	**1824.400**	1862.700	**256.300**	439.900	**30.000**	8.300L	**0.00000**	29.00000	-	**15.170**	43.500
Volvere	Pre	**38.027**	30.701	**2.329**	1.073	**21.530L**	11.610L	**0.00000**	0.00000	-	**0.000**	0.000
Workspace Group	Pre	**174.200**	132.900	**37.500L**	124.000	**19.900L**	68.500	**17.40000**	14.50000	Aug 4	**25.800**	21.500

Figures in £m. Earnings shown basic. Figures in light text are for corresponding period year earlier.
For more information on dividend payments visit www.ft.com/marketsdata

UK RECENT EQUITY ISSUES

Issue date	Issue price(p)	Sector	Stock code	Stock	Close price(p)	+/-	High	Low	Mkt Cap (£m)
05/17	10.00		ADMR	Admiral Acquisition UK Ltd	9.48	0.34	10.10	9.90	511.7
05/10	8.50	AIM	GMET	Golden Metal Resources PLC	7.75	-0.40	8.80	7.30	652.5
05/03	100.00		AWEM	Ashoka WhiteOak Emerging Markets Trust plc	107.75	-2.00	110.91	98.50	0.0

§Placing price. *Intoduction. ‡When issued. Annual report/prospectus available at www.ft.com/ir
For a full explanation of all the other symbols please refer to London Share Service notes.

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
Australia (A$)							
ANZ Bank	23.35	-0.61	26.08	20.78	6.57	9.62	45650.12
BHP Group	42.15	-0.67	50.09	35.83	9.92	9.73	138993.35
CmwBkAu	97.72	-2.21	111.38	86.98	3.64	18.06	107217
CSL	306.30	0.68	314.21	254.30	1.00	43.10	96177.44
NatAusBk	26.04	-0.57	32.83	25.43	3.51	13.63	53203.39
Telstra	4.33	-0.02	4.40	3.62	2.35	34.61	32567.42
Wesfarmers	49.01	-0.61	52.79	40.03	3.69	24.76	36177.74
Westpac Bank	20.89	-0.34	24.50	18.80	4.32	14.93	47717.52
Woolworths	38.18	0.04	39.88	31.67	2.88	42.79	30288.65
Belgium (€)							
AnBshInBv	53.01	-0.43	62.01	45.56	0.97	27.39	98797.11
KBC Grp	61.16	0.90	72.46	45.53	5.43	10.30	27372.69
Brazil (R$)							
Ambev	14.78	0.12	16.88	12.60	3.76	22.62	46547.38
Bradesco	13.66	0.20	17.71	11.15	5.99	6.40	14555.84
Cielo	4.98	-	6.22	3.59	2.88	17.07	2704.73
ItauHldFin	22.95	0.53	26.04	18.86	3.33	9.20	22748.34
Petrobras	29.60	-0.17	42.08	23.61	15.99	4.27	44039.53
Vale	65.12	0.07	94.48	61.90	19.67	2.95	59089.44
Canada (C$)							
Bausch Hlth	11.04	-0.24	13.81	5.10	-	-3.37	2931.37
BCE	61.54	-0.87	69.44	55.66	5.59	20.95	41189.52
BkMontrl	112.90	0.06	138.85	111.88	3.94	8.83	59081.83
BkNvaS	66.25	0.59	86.22	63.19	5.50	8.43	58244.9
Brookfield	58.88	11.29	63.88	41.28	1.09	19.91	69948.82
CanadPcR	104.21	-0.18	112.27	86.42	0.72	25.37	71193.23
CanImp	56.93	1.29	71.10	53.58	10.37	4.01	38336.08
CanNatRs	75.47	-2.00	87.92	58.75	2.60	11.89	60718.57
CanNatRy	154.25	0.34	175.39	137.26	1.57	22.79	75074.83
Enbridge	49.02	-0.76	59.69	48.83	6.69	17.38	72825.06
GtWesLif	38.96	0.01	39.49	27.99	4.87	11.13	26620.09
ImpOil	63.70	-0.21	79.83	52.67	1.59	18.63	27303.47
Manulife	25.20	0.18	27.50	20.81	4.56	7.25	34131.65
Nutrien	77.14	-1.33	132.75	76.92	2.96	11.26	28079.58
RylBkC	121.13	-2.62	140.18	116.75	3.61	10.94	123605.2
SHOP	79.50	-0.68	87.53	33.00	-	2.80	69840.65
Suncor En	38.65	-0.67	53.62	36.39	2.67	14.20	37209.59
ThmReut	167.82	0.43	180.93	121.30	1.20	11.76	57995.11
TntoDom	78.35	-2.83	97.13	76.40	4.10	9.98	105757.03
TrnCan	53.74	-0.47	74.44	50.70	6.36	29.41	40594.2
China (HK$)							
AgricBkCh	3.01	-0.04	3.28	2.20	7.19	3.88	11808.93
Bk China	3.11	-0.06	3.45	2.51	7.26	3.79	33193.03
BkofComm	5.06	-0.09	5.65	3.83	7.01	4.11	22611.36
BOE Tech	0.69	0.05	0.85	0.53	-	10.93	17.52
Ch Coms Cons	4.55	-0.05	5.52	3.09	4.54	3.71	2565.94
Ch Evrbrght	2.46	-	2.78	2.03	9.88	3.27	3980.87
Ch Rail Cons	5.79	-0.08	7.46	3.75	4.59	3.03	1534.36
Ch Rail Gp	5.04	-0.10	6.30	3.41	4.14	3.99	2706.49
ChConstBk	5.09	-0.07	5.90	4.10	7.40	3.64	156187.11
China Vanke	10.52	-0.08	19.90	9.87	13.73	4.66	2962.66
ChinaCitic	4.23	-0.03	4.74	2.92	6.73	3.86	8034.73
ChinaLife	13.74	-0.26	15.84	8.53	5.04	5.90	13049.37
ChinaMBank	36.00	-1.40	53.00	25.40	4.03	6.52	21094.13
ChinaMob	64.40	-0.50	70.20	46.80	5.07	9.76	168180.89
ChinaPcIns	21.80	-0.50	26.50	12.10	6.11	6.98	7721.97
ChMinsheng	3.19	-0.09	3.52	2.19	7.82	4.05	3387.61
ChMrchSecs	13.85	0.05	15.98	12.12	3.29	11.85	14543.86
Chna Utd Coms	4.76	-0.01	6.45	3.30	2.45	22.88	20854.44
ChShenEgy	26.85	-0.50	28.70	20.50	7.74	8.00	11574.39
ChShpbldng	4.59	0.06	5.32	3.37	-	-327.02	14341.44
ChStConEng	5.80	-0.05	7.35	4.68	3.86	4.31	33907.93
ChUncHK	5.84	-0.10	6.58	3.27	2.73	12.64	22806.92
CNNC Intl	6.86	0.08	7.44	5.78	1.90	17.18	18314.91
CSR	4.60	-0.10	5.26	2.37	4.56	12.42	2566.3
Daqin	7.44	0.07	8.21	5.95	6.73	10.80	15649.71
GuosenSec	9.18	-	10.55	8.43	2.62	10.11	11464.93
HaitongSecs	5.23	-0.04	6.01	3.77	5.58	5.58	2275.96
Hngzh HikVDT	34.95	-1.05	48.84	26.80	2.39	18.41	45041.85
Hunng Pwr	4.80	0.02	5.16	2.62	4.18	-5.29	2879.64
IM Baotou Stl	1.83	-	2.71	1.75	-	29.86	8201.86
In&CmBkCh	4.23	-0.07	4.73	3.37	7.29	3.81	46859.24
IndstrlBk	16.67	-0.05	21.00	14.91	4.86	4.38	48997.14
Kweichow	1701	-9.90	2077	1333	1.18	36.72	302323.57
Midea	0.38	-0.01	0.49	0.32	-	-4.05	14.60
New Ch Life Ins	20.95	-0.55	25.00	12.04	7.42	3.91	2765.1
PetroChina	5.22	-0.11	5.62	2.95	4.64	10.64	14056.93
PingAnIns	51.15	-0.45	63.10	31.30	4.97	7.99	48620.76
PngAnBnk	11.93	-0.08	15.27	10.22	1.52	6.83	32754.82
Pwr Cons Corp	6.77	-0.02	8.45	6.64	1.37	13.49	10528.11
SaicMtr	13.22	-0.18	19.29	13.15	4.69	6.34	21853.1
ShenwanHong	0.12	0.00	0.18	0.07	-	3.54	137.15
ShgPdgBk	7.31	0.02	8.22	6.63	6.57	4.48	30357.49
Sinopec Corp	5.02	-0.04	5.47	3.06	2.82	5.94	15877.39
Sinopec Oil	2.06	-	2.39	1.81	-	656.36	3954.93
Denmark (kr)							
DanskeBk	142.70	0.40	165.35	86.90	1.36	10.11	17717.87
MollerMrsk	11255	-110.00	22650	11100	2.92	1.90	13570.61
NovoB	1121	-0.40	1185.6	730.60	0.81	55.90	277271.8
Finland (€)							
Nokia	3.73	0.01	5.20	3.66	-	13.33	22553.97
SampoA	42.57	-0.44	49.97	39.86	3.88	9.38	23336.9
France (€)							
Airbus Grpe	124.54	0.74	131.22	86.52	-	23.64	105606.55
AirLiquide	157.74	-0.10	164.52	114.48	1.68	30.15	88617.62
AXA	26.97	-0.20	30.34	20.34	5.12	9.41	66340.74
BNP Parib	56.18	0.14	67.02	40.67	4.60	8.38	74396.25
ChristianDior	781.50	1.00	872.00	525.00	0.86	29.55	151342.8
Cred Agr	11.82	0.00	12.01	8.09	6.53	6.69	38378.09
Danone	57.16	-0.36	61.88	46.76	3.28	20.14	41542.03
EDF	12.00	-	12.05	7.27	3.92	9.56	51508.66
Engie SA	13.94	-0.31	15.56	10.07	3.67	10.17	36431.3
EssilorLuxottica	174.40	-0.64	188.40	132.70	0.60	55.08	83764.43
Hermes Intl	1914.8	28.40	2036	957.60	0.23	85.13	216869.77
LOreal	406.65	2.65	442.60	300.45	0.95	51.31	233826.19
LVMH	823.40	6.30	904.60	535.00	0.82	35.71	443500.32
Orange	11.44	-0.14	11.90	9.08	5.06	3933.64	32653.55
PernodRic	208.80	-1.20	218.00	166.60	1.44	32.65	57782.86
Renault	32.52	-0.23	43.96	22.33	-	-25.15	10315.86
Safran	137.14	0.56	145.52	87.85	0.30	1420.71	62862.9
Sanofi	98.50	-2.38	105.18	76.45	3.14	20.63	133377.18
Sant Gbn	53.44	0.13	58.53	35.18	2.46	13.24	29571.79
Schneider	161.22	3.56	165.44	110.02	1.56	29.46	98778.67
SocGen	23.84	0.08	28.39	18.97	2.24	4.17	20671.28
Total	55.00	-1.86	60.93	45.81	4.74	10.94	146941.75
UnibailR	49.68	0.06	73.09	39.68	-	-7.44	7615.7
Vinci	107.80	-0.66	112.40	80.84	2.41	24.76	68295.43
Vivendi	8.52	-0.28	11.45	7.59	6.80	-15.76	10080.99
Germany (€)							
Allianz	205.60	-0.30	228.40	156.22	4.51	13.45	88961.87
BASF	45.92	-0.51	53.77	37.90	6.94	7.88	44031.06
Bayer	53.38	-0.58	67.49	46.70	3.62	54.21	56261.98
BMW	102.78	0.18	109.84	68.44	1.78	5.67	66380.29
Continental	64.24	-0.56	79.24	44.31	-	10.25	13784.34
Deut Bank	9.70	-0.04	12.09	7.25	-	9.89	21234.2
Deut Tlkm	21.14	-0.60	23.13	17.35	2.74	25.17	113092.73
DeutsPost	41.29	0.08	44.64	29.68	3.23	10.82	54887.63
E.ON	11.15	-0.11	12.29	7.28	4.07	6.42	31596.09
Fresenius Med	40.60	-0.45	57.22	25.95	3.19	12.71	12762.55
Fresenius SE	26.52	-0.46	32.86	19.69	3.28	8.68	15890.44
HenkelKgaA	68.04	-0.16	70.10	56.55	2.60	18.75	18964.18
Linde	333.30	3.00	345.00	261.20	1.08	53.64	175334.61
Mercedes-Benz	70.25	0.33	75.92	50.19	1.86	7.28	80630.92
MuenchRkv	332.30	2.20	342.90	212.70	2.85	16.45	48651.82
SAP	120.80	0.58	125.10	79.58	1.48	28.06	159213.94
Siemens	153.64	1.38	161.02	93.67	2.20	23.93	131865.68
Volkswgn	145.95	-1.90	217.00	143.45	3.17	5.11	46205.73
Hong Kong (HK$)							
AIA	76.50	-0.55	93.65	57.25	1.59	19.18	113454.26
BOC Hold	23.70	-0.25	31.85	23.55	4.80	11.92	31981.5
Ch OSLnd&Inv	16.74	-0.16	25.60	14.40	6.57	4.07	23384.51
ChngKng	43.10	-0.45	57.00	42.55	3.76	9.67	19763.14
Citic Ltd	9.51	-0.13	10.86	7.01	5.18	4.31	35309.18
Citic Secs	15.44	-0.20	18.52	11.60	2.83	7.79	5163.23
CK Hutchison	48.45	-0.50	56.40	38.55	4.30	6.02	23684.19
CNOOC	12.48	-0.22	13.36	9.22	3.32	10.67	71004.1
HangSeng	109.10	-1.80	141.40	108.30	5.12	17.20	26621.84
HK Exc&Clr	294.00	-7.00	404.20	208.20	2.85	32.48	47574.23
MTR	38.15	-0.25	43.65	33.15	2.95	27.07	30198.95
SandsCh	24.70	-0.05	30.20	12.50	-	-26.73	25514.39
SHK Props	101.80	-1.50	114.80	83.10	4.45	11.40	37650.8
Tencent	322.40	-10.00	397.60	188.69	0.46	12.43	394531.34
India (Rs)							
Bhartiartl	822.70	21.30	860.55	628.75	-	173.51	59344.56
HDFC Bk	1609.6	-6.20	1734.45	1271.6	-	26.96	108709.07
Hind Unilevr	2597.25	-17.70	2741.6	2100	1.25	68.73	73755.95
HsngDevFin	2647.4	-24.35	2867	2026	0.88	22.26	58975.1
ICICI Bk	939.85	-0.80	958.85	669.95	0.22	29.45	79407.55
Infosys	1304.35	5.70	1672.6	1185.3	2.36	25.46	65413.38
ITC	441.15	7.65	442.45	258.55	2.47	36.21	66264.2
L&T	2204.7	19.55	2416.35	1456.35	0.83	36.13	37450.99
OilNatGas	166.00	-0.25	169.00	119.85	5.56	4.64	25240.07
RelianceIn	2439.95	-0.30	2817.35	2180	0.29	27.58	199531.27
SBI NewA	581.25	-1.45	629.55	430.70	0.70	16.01	62696.47
SunPhrmInds	945.00	-7.15	1070.95	789.90	0.80	34.79	27403.99
Tata Cons	3293.5	-9.85	3575	2926.1	1.12	31.07	145652.27
Israel (ILS)							
TevaPha	29.35	0.06	38.39	23.83	-	22.75	8884.88
Italy (€)							
Enel	5.88	-0.09	6.26	3.96	6.02	28.33	64134.87
ENI	13.05	-0.32	14.98	10.45	4.99	5.69	50465.17
Generali	17.96	0.08	19.23	13.67	7.90	10.45	30036.36
IntSPaolo	2.25	0.00	2.60	1.58	1.57	72.27	44152.59
Unicred	18.69	0.36	20.05	8.24	0.62	28.74	38907.18
Japan (¥)							
AstellasPh	2341	17.00	2360.5	1823.5	2.17	32.65	30304.53
Bridgestne	5674	-16.00	5777	4548	3.23	11.96	28967.58
Canon	3496	68.00	3516	2754.5	3.09	15.67	33354.82
CntJpRwy	16435	-290.00	17920	14730	0.87	-28.55	24218.39
Denso	8671	-16.00	8787	6389	1.78	22.01	48873.5
EastJpRwy	7703	-103.00	8325	6525	1.44	-7.16	20824.87
Fanuc	4766	-33.00	24930	4409	10.49	5.25	34418.26
FastRetail	33160	-140.00	34700	19776.67	1.75	14.42	75483.44
Fuji Hvy Ind	2358.5	-5.00	2684	1938.5	2.62	25.10	12976.87
Hitachi	8057	-29.00	8332	5983	1.58	10.94	54065.85
HondaMtr	3995	37.00	4025	2990.5	3.57	7.83	51766.2
JapanTob	3080	-8.00	3112	2275.5	4.90	14.53	44064.52
KDDI	4349	-66.00	4636	3825	3.05	13.50	71637.01
Keyence	69050	640.00	70290	44880	0.32	53.46	120129.41
MitsbCp	5639	-12.00	5746	3740	2.71	11.66	58824.48
MitsubEst	1015.99	-4.45	1036.81	876.51	-	-	-
MitsubishiEle	1785	1.00	1809	1273	2.48	14.78	27416.97
MitsuiFud	921.40	-5.74	1007.12	684.38	-	-	-
MitUFJFin	912.60	-17.50	999.50	632.60	3.15	8.57	82827.03
Mizuho Fin	2044.5	-26.50	2238	1486.5	4.22	9.05	37136.5
Murata Mfg	8107	61.00	8811	6438	1.64	15.08	39190.5
Nippon TT	4119	-12.00	4334	3674	2.82	12.01	106721.05
Nissan Mt	520.00	-0.90	577.60	408.10	-	15.30	15699.92
Nomura	500.30	-6.20	573.90	464.30	5.08	-31.17	11572.31
Nppn Stl	2837.5	-24.00	3294	1838	3.12	4.06	19289.22
Panasonic	1445	-1.50	1508	1006.5	1.91	13.23	25366.5
Seven & I	6300	-110.00	6619	5041	1.80	21.72	39948.39
ShnEtsuCh	4322	69.00	21055	3797	7.42	3.75	62579.2
Softbank	5065	7.00	7180	4708	0.96	3.94	53260.31
Sony	13270	85.00	13840	9213	0.50	15.35	119707.82
SumitomoF	5560	-82.00	6261	3907	3.98	9.80	54674.93
Takeda Ph	4556	6.00	4629	3497	4.37	14.81	51568.33
TokioMarine	3046	-9.00	3070	2351.67	7.98	4.49	43632.57
Toyota	1938.5	-18.00	2267	1764	2.91	7.92	226235.53
Mexico (Mex$)							
AmerMvl	19.32	0.34	21.27	15.67	1.60	16.45	45745.25
FEMSA UBD	173.08	-0.39	180.55	120.63	1.11	148.98	20988.19
WalMrtMex	70.01	-0.50	79.15	64.81	0.68	36.73	68592.58
Netherlands (€)							
ASML Hld	652.60	30.90	659.70	375.75	0.50	52.19	282252.99
Heineken	99.48	-1.02	106.30	78.28	0.95	17.86	61474.89
ING	11.95	-0.05	13.55	8.43	4.85	10.06	46403.99
Unilever	47.90	-0.08	50.93	40.78	2.99	24.59	148952.21
Norway (Kr)							
DNB	186.70	2.05	209.50	168.20	10.62	10.47	26376.77
Equinor	296.35	-10.70	410.95	278.70	1.90	11.21	85260.17
Telenor	115.75	-2.05	135.80	87.60	8.86	17.15	14676.21
Qatar (QR)							
QatarNtBk	16.60	-0.13	23.00	14.31	3.11	13.10	42122.18
Saudi Arabia (SR)							
AlRajhiBnk	73.30	-0.80	7317	0.00	2.99	13.62	78180.4
Natnlcombnk	37.50	-0.15	1552.5	0.00	3.53	13.80	59995.2
SaudiBasic	90.80	0.70	2115	0.00	3.26	12.95	72634.2
SaudiTelec	43.70	-0.35	8480	0.00	8.35	8.47	58262
Singapore (S$)							
DBS	31.61	0.21	36.40	29.45	3.56	13.38	60191.35
JardnMt US$	50.16	-1.19	59.48	42.60	3.12	9.16	14595.23
OCBC	12.25	0.05	13.23	11.20	3.13	12.61	40651.87
SingTel	2.53	-0.03	2.82	2.31	2.71	44.08	30838.6
UOB	28.16	0.33	31.40	25.91	3.22	12.93	34835.17
South Africa (R)							
Firstrand	60.86	-0.02	72.95	56.80	4.85	9.68	17362.66
MTN Grp	114.25	-1.00	169.93	107.35	-	13.69	10948.64
Naspers N	3124.39	-24.45	3510	1454.08	0.21	14.76	69203.12
South Korea (KRW)							
HyundMobis	227000	-3000.00	239500	189500	1.79	8.71	16141.42
KoreaElePwr	18400	-170.00	24000	16500	6.77	-10.58	8908.43
SK Hynix	103500	5800	108500	60600	1.51	7.29	56825.86
SmsungEl	68800	300.00	79000	51800	2.13	11.72	309756.08
Spain (€)							
BBVA	6.42	0.08	7.56	3.97	5.59	9.05	41507.58
BcoSantdr	3.16	0.01	3.87	2.32	2.34	6.55	55693.98
CaixaBnk	3.51	0.03	4.14	2.64	0.74	23.89	28226.55
Iberdrola	11.39	-0.22	11.96	9.09	3.58	20.23	78738.15
Inditex	30.80	0.03	32.10	20.13	0.69	33.65	102985.59
Repsol	13.01	-0.38	16.23	11.19	4.45	8.22	18527.44
Telefonica	3.93	-0.07	5.06	3.22	8.50	2.97	24239.39
Sweden (SKr)							
AtlasCpcoB	133.40	2.50	138.25	22.17	5.96	8.25	19244.43
Ericsson	55.83	0.64	82.25	53.36	4.38	7.63	15853.5
H & M	137.54	-2.22	157.30	98.27	4.98	17.57	18567.89
Investor	213.25	-1.45	221.95	158.20	1.79	8.50	35908.99
Nordea Bk	109.08	-0.08	134.94	88.32	14.58	11.80	36341.9
SEB	114.45	-0.05	133.50	99.42	9.60	8.87	22790.67
SvnskaHn	87.34	-0.36	112.90	80.88	6.23	7.94	15698.71
Swedbank	168.65	-0.55	219.90	124.50	9.39	8.35	17644.75
Telia Co	26.50	-0.26	40.99	25.54	8.21	8.67	9630.56
Volvo	201.05	-0.55	219.75	154.28	3.52	12.14	29516.32
Switzerland (SFr)							
ABB	33.18	0.40	34.11	23.84	2.27	16.72	72029.44
CredSuisse	0.78	-0.01	6.76	0.66	11.53	-1.29	3468.63
Nestle	111.30	-0.92	118.70	103.42	2.24	20.30	328347.6
Novartis	88.55	-2.04	93.95	73.33	3.08	10.11	222828.2
Richemont	146.65	2.55	161.10	91.80	1.21	36.74	84582.4
Roche	287.50	-1.30	335.85	256.05	2.77	20.24	223177.48
Swiss Re	90.12	-0.14	99.68	68.16	5.94	22.87	31614.67
Swisscom	575.60	-8.00	619.40	443.40	3.46	17.99	32945.36
UBS	17.67	-0.19	20.85	13.87	1.96	8.65	61175.09
Zurich Fin	421.40	-1.70	458.30	384.70	4.30	14.75	70055.7
Taiwan (NT$)							
Chunghwa Telecom	128.00	1.50	130.50	105.50	3.39	27.52	32249.72
Formosa PetChem	87.60	-1.90	97.90	75.20	0.68	16.67	27102.59
HonHaiPrc	102.50	-0.50	116.00	98.00	3.95	10.21	46150.73
MediaTek	708.00	-3.00	935.00	533.00	5.30	9.95	36783.6
TaiwanSem	543.00	18.00	560.00	370.00	1.99	21.34	457334.89
Thailand (THB)							
PTT Explor	31.25	-0.25	38.50	29.50	6.10	8.74	25793.81
United Arab Emirates (Dhs)							
Emirtestele	24.30	0.70	38.98	11.60	2.75	27.17	57535.64
United Kingdom (p)							
Anglo American	2267	-11.50	4036	2263.13	7.86	4.49	37401.96
AscBrFd	1837.5	-11.50	2076	1223	0.34	30.37	17606.62
AstraZen	11642	-152.00	12828.45	9399	1.78	1971.22	222556.49
Aviva	400.10	1.20	473.70	341.92	5.34	52.64	13569.86
Barclays	156.98	-1.68	198.86	128.12	1.91	3.81	30108.55
BP	474.95	-11.55	570.57	359.20	3.32	17.23	102908.6
BrAmTob	2663	-73.50	3645	2643	8.10	9.01	73443.37
BT	145.10	-3.70	196.60	22.98	-	14.09	17776.11
Compass	2208	20.00	2250	1630.5	0.63	53.72	47390.26
Diageo	3475	-16.50	3960	3413.5	2.09	26.73	96425.04
GlaxoSmh	1384.6	-24.20	2753.96	16.64	5.78	15.99	69935.31
Glencore	416.40	-2.80	584.50	395.40	2.13	15.24	64159.47
HSBC	606.40	6.20	653.80	434.70	2.66	13.25	149256.64
Imperial Brands	1722	-75.00	2185	1722	8.02	5.76	19501.67
Jardine Mathes.	62.50	-	55.30	46.89	2.50	11.42	18185.84
LlydsBkg	45.83	-0.94	54.33	38.51	5.61	6.37	36999.28
LSE Group	8338	36.00	8893.86	6710	0.92	85.26	52051.26
Natl Grid	1083.5	-15.00	1246.5	844.29	4.54	25.26	49146.34
Natwest Group	268.30	0.20	308.65	210.90	3.91	10.56	1112.61
Prudential	1109.5	8.00	1336	782.40	1.06	18.02	37678.27
ReckittB	6362	-24.00	6824	5502	2.74	-27.53	56210.62
RELX	2450	-14.00	2735	2064	1.95	32.32	57394.23
RioTinto	4758	-16.00	6329	4424.5	10.56	4.98	73415.42
RollsRoyce	148.80	1.95	160.00	64.44	-	101.22	15357.72
Shell PLC	2340.5	-52.00	2613.5	1908.6	2.59	12.33	197489.51
StandCh	643.80	3.20	797.40	515.60	1.38	14.44	22385.29
Tesco	265.00	-0.70	307.23	194.35	3.45	13.49	23763.83
Unilever	4167.5	-4.50	4868.64	3469.5	3.47	21.39	129594.63
Vodafone	81.06	-2.33	132.10	81.02	9.54	-181.34	26989.91
WPP	865.80	-7.80	1082	713.00	3.06	16.49	11476.18
United States of America ($)							
21stC Fox A	31.16	0.13	37.26	28.02	1.37	13.85	8383.8
3M	95.81	-1.18	152.30	95.35	5.63	10.40	52855.72
AbbottLb	101.75	-2.29	118.23	93.25	1.61	28.36	176937.84
Abbvie	139.02	-2.13	168.11	134.09	3.41	23.67	245271.55
Accenture	288.42	1.60	322.88	242.80	1.17	32.16	191102.53
Activision Bli.	76.89	-0.92	87.01	70.94	0.56	24.54	60304.83
Adobe	388.78	23.02	451.15	274.73	-	42.00	178333.39
Advanced Micro	119.60	11.33	119.88	54.57	-	51.10	192599.28
AEP	82.12	-3.05	105.60	80.30	3.33	18.18	42198.68
Aflac	64.51	-0.05	74.02	52.07	1.86	11.09	38978.68
AirProd	271.03	0.19	328.56	218.88	2.02	31.26	60200.81
Allstate	111.45	-1.95	142.15	103.20	2.65	7.21	29294.85
Alphabet	123.96	3.06	126.43	83.34	-	1.21	736446.36
Altria	44.53	-0.43	54.89	40.35	7.20	36.49	79478.89
Amazon	115.17	-1.58	146.57	81.43	-	1.95	1181684.97
AmerAir	14.09	0.29	18.22	11.65	-	-4.13	9196.1
AmerExpr	150.50	-0.22	182.15	130.65	1.13	16.05	111862.42
AmerIntGrp	53.75	-0.82	64.88	45.66	2.17	5.45	38901.7
AmerTower	183.61	0.22	282.47	178.17	2.58	35.62	85570.2
Amgen	215.92	-5.40	296.67	215.59	2.97	23.06	115371.8
Amphenol Corp	73.63	0.66	82.86	61.67	0.96	32.21	43830.36
Analog Devices	171.81	-1.39	198.25	133.48	1.48	63.35	86910.43
Anthem	482.58	12.71	-	-	-	-	-
Aon Cp	308.58	-3.43	338.27	246.21	0.59	61.05	63026.08
Apple	172.34	0.50	176.39	124.17	0.46	31.38	2710684.5
Applied Materi.	128.83	7.10	132.06	71.12	0.67	19.52	108879.06
Aptiv	90.47	-0.03	124.88	77.96	-	51.21	24472.71
ArcherDan	72.41	-0.45	98.28	70.02	1.86	16.60	39434.28
AT&T	15.08	-0.88	21.53	14.46	12.57	6.00	107771.18
Autodesk	197.39	0.64	235.01	163.20	-	95.85	42396.02
AutomData	209.69	-4.31	274.92	196.61	1.66	35.64	86627.71
AutoZone	2441.64	18.02	2750	1882.18	-	24.23	44920.57
Avago Tech	704.61	25.08	704.82	415.07	1.94	43.70	293768.58
BakerHu	27.86	-0.86	38.66	20.42	2.42	70.81	28204.92
Bank of NY	40.26	-0.17	52.26	36.22	2.94	10.68	31766.58
BankAm	28.01	-0.10	38.60	26.32	2.54	8.61	223176.12
Baxter	41.31	-0.82	77.08	37.35	2.39	17.93	20894.14
BectonDick	241.33	-3.93	269.06	215.90	1.27	45.85	68539.9
BerkshHat	483249.99	-3295.01	511334.53	393012.25	-	8.92	283111.04
Biogen	293.63	-7.93	319.74	188.54	-	31.00	42500.68
BlackRock	654.46	-0.54	785.65	503.12	2.30	18.80	98013.67
Boeing	200.05	0.78	221.33	113.02	-	-30.72	120348.78
Booking Holdings	2596.62	-29.21	2786.85	1616.85	-	101.22	95902.66
Bristol-Myers	64.21	-1.27	81.44	64.11	2.85	22.60	134884.89
Broadcom	704.61	25.08	704.82	415.07	1.94	43.70	293768.58
Cadence Design	221.67	18.00	221.80	138.76	-	97.37	60445.86
CapOne	99.45	-0.04	128.95	83.93	1.83	4.05	37970.63
CardinalHlth	83.93	-1.03	87.03	49.70	2.12	47.75	21368.59
Carnival	10.95	0.28	14.20	6.11	-	-1.43	12214.77
Caterpillar	209.55	-0.15	260.50	160.60	1.86	19.45	107992.78
Centene Corp	63.40	-1.24	98.53	61.71	-	30.53	34791.97
CharlesSch	53.91	1.83	86.63	45.00	1.22	20.92	95374.46
Charter Comms	321.15	-10.09	515.66	297.66	-	14.41	48357.24
Chevron Corp	153.86	-3.41	189.68	132.54	3.14	20.76	291509.85
Chipotle Mexic.	2070.58	17.51	2139.88	1196.28	-	99.29	57126.83
Chubb	189.99	-4.09	230.27	173.78	1.52	10.83	78686.94
Cigna	244.12	-5.64	340.11	240.11	1.49	17.04	72228.33
Cintas Corp	462.40	0.11	478.39	343.86	0.72	44.51	47026.91
Cisco	48.72	0.31	52.56	38.61	2.79	19.00	199558.75
Citigroup	43.96	-0.54	66.00	40.01	4.23	4.76	85569.48
CME Grp	177.01	-3.06	212.09	166.55	1.85	26.66	63673.07
Coca-Cola	60.34	-0.54	65.47	54.02	2.54	29.45	260945.05
Cognizant	62.25	-0.36	75.40	51.33	1.40	16.88	31591.88
ColgtPlm	76.13	-0.35	83.81	67.84	2.14	32.78	63155.03
Comcast	39.05	-0.93	44.66	28.39	2.33	14.11	162423.91
ConocPhil	101.30	-2.68	138.49	78.30	1.75	18.33	122578.95
Constellation	230.31	-1.99	261.32	208.12	1.21	-1138.74	42200.15
Corning	30.91	-0.63	37.73	28.98	2.83	26.51	26273.28
Corteva	54.82	-0.43	68.43	50.03	0.88	25.39	38970.06
Corteva	54.82	-0.43	68.43	50.03	0.88	25.39	38970.06
Costco	482.50	-0.26	564.75	430.83	0.60	42.29	213980.6
CrownCstl	112.73	1.81	193.95	110.22	4.41	46.36	48887.76
CSX	30.81	-0.08	34.71	25.80	1.15	18.69	62642.49
CVS	67.80	-1.02	107.26	67.05	2.69	12.51	86921.31
Danaher	228.49	0.78	303.82	221.22	0.36	28.63	168602.49
Deere	352.10	-1.98	448.40	283.81	1.02	21.23	104335.01
Delta	35.33	0.40	42.45	27.20	-	46.56	22706.09
Devon Energy	48.07	-1.60	79.40	44.03	3.73	12.60	31437.78
Digital Realty	89.50	3.01	141.77	85.76	4.72	16.55	26604.05
DiscFinServ	99.96	0.54	118.71	87.64	1.71	6.16	25384.45
Disney	88.15	-0.92	126.48	84.07	-	56.28	161076.93
Dollar General	203.50	-5.35	261.59	193.56	0.76	21.77	44588.58
DominRes	49.88	-1.43	86.28	49.78	4.60	17.17	41696.76
DukeEner	88.37	-1.79	114.50	83.76	4.02	19.68	68102.49
DuPont	66.03	-0.25	78.40	49.52	1.66	22.45	30306.58
Eaton	174.36	6.19	178.75	122.50	1.59	35.85	69499.9
eBay	43.29	-0.01	50.82	35.92	1.51	125.09	23148.76
Ecolab	165.53	-2.12	179.77	131.04	1.07	46.49	47129.86
Edwards Lifesc.	81.42	-2.42	107.92	67.13	-	37.57	49358.29
Eli Lilly	420.32	-5.45	454.95	283.11	0.74	75.42	398998.4
Emerson	78.35	-0.60	99.65	72.41	2.36	18.78	44777.03
EOG Res	109.67	-3.62	150.88	92.16	1.34	15.07	64141.45
Equinix	699.01	23.83	752.63	494.89	1.50	138.80	65373.22
EquityResTP	59.16	-0.47	80.89	54.60	3.71	18.96	22416
Exelon	39.23	-0.92	49.86	35.19	3.55	24.76	39016.94
ExxonMb	105.18	-2.41	119.92	80.69	3.02	21.43	425241.16
Fedex	225.02	1.47	248.76	141.92	1.16	13.29	56559.21
Fidelity NIS	53.12	-0.74	106.65	48.57	2.67	87.06	31470.23
Fiserv	114.92	-1.55	122.39	87.03	-	63.41	72184.28
FordMtr	11.44	0.11	16.68	10.61	0.80	2.82	44958.26
Franklin	24.03	-0.05	32.88	20.24	4.28	6.98	12035.75
GenDyn	203.39	-3.15	256.86	202.88	2.09	19.34	55795.75
GenElectric	101.02	0.04	105.94	46.77	0.29	-34.13	110006.74
GenMills	84.00	-1.07	90.89	64.94	2.23	24.37	49337.4
GenMotors	32.45	0.17	43.63	30.33	-	5.32	45102.56
GileadSci	76.37	-2.68	89.74	57.17	3.39	17.01	95260.32
GoldmSchs	322.73	2.92	389.58	277.84	1.83	5.96	107290.97
Halliburton	30.13	-0.69	43.99	23.30	0.79	18.59	27183.13
HCA Hold	263.02	-1.88	294.02	164.47	0.66	13.65	72380.42
Hew-Pack	30.58	0.58	40.79	24.08	2.50	6.06	30119.91
Hilton Worldwi.	138.17	1.32	152.89	108.41	-	103.92	36563.47
HiltonWwde	138.17	1.32	152.89	108.41	-	103.92	36563.47
HomeDep	287.91	-3.19	347.25	264.51	2.11	20.17	289457.84
Honywell	190.54	-1.32	220.96	166.63	1.80	26.45	126838.05
HumanaInc	497.89	-8.74	571.30	418.70	0.51	24.12	62208.86
IBM	125.35	-0.33	153.21	115.55	4.76	26.42	113823.49
IDEXX Laborato.	460.71	-2.80	515.79	317.06	-	58.83	38192.86
IllinoisTool	221.16	-0.83	247.09	173.52	1.94	28.54	67209.62
Illumina	194.33	-18.32	258.07	173.45	-	42.34	30723.57
Intcntl Exch	104.59	-1.99	113.07	88.60	1.15	16.00	58556.49
Intel	26.98	-2.03	44.93	24.59	4.69	6.09	112512.73
Intuit	415.05	-0.88	490.83	352.63	0.56	57.07	116237.39
John&John	153.96	-2.70	183.35	150.11	2.48	21.65	400101.1
JohnsonCn	60.46	-0.30	69.15	45.52	1.73	30.31	41478.1
JPMrgnCh	134.82	-0.52	144.34	101.28	2.57	9.64	393982.94
Kimb-Clark	136.62	-1.03	147.87	108.74	3.14	28.15	46092.86
KinderM	16.13	-0.38	20.20	15.78	6.27	38.25	36139.57
KLA Corp	432.57	23.67	433.08	250.20	0.82	24.45	59348.13
Kraft Heinz	38.27	-0.45	42.80	32.73	3.81	51.25	46966.38
Kroger	49.42	-0.15	53.47	41.82	1.45	24.77	35462.6
LasVegasSd	55.73	-0.17	65.58	30.14	-	-40.53	42590.4
LibertyGbl	16.41	-0.34	25.13	15.22	-	0.77	2807.58
Lilly (E)	420.32	-5.45	454.95	283.11	0.74	75.42	398998.4
Linde	357.05	2.19	373.58	262.47	1.08	53.56	175072.44
Lockheed	440.42	-12.30	508.10	373.67	2.30	20.77	111538.05
Lowes	202.97	-0.66	221.42	170.12	1.36	18.34	121042.43
Lyondell	87.60	-1.95	117.22	71.46	4.62	5.74	28494.01
Marathon Ptl	107.76	-2.78	138.83	77.62	1.96	58.58	45720.72
Marsh&M	172.12	-0.93	182.43	143.33	1.42	29.07	85151.44
MasterCard	366.95	-1.55	392.20	276.87	0.56	46.00	345038.36
McDonald's	284.91	-1.01	298.86	230.58	1.68	31.16	207993.34
McKesson	391.90	-4.53	401.78	298.69	0.41	48.74	53142.53
Medtronic	83.98	-3.51	106.06	75.77	2.70	25.16	111728.98
Merck	111.20	-2.40	119.65	83.05	2.16	25.12	282162.88
Meta	253.80	4.59	254.27	88.09	-	20.24	561444.48
Metlife	52.39	2.14	77.36	48.95	3.30	7.87	40121.36
Microsoft	323.27	9.42	325.59	213.43	0.65	37.80	2403670.07
Mnstr Bvrg	57.14	-0.43	60.47	41.95	-	24.41	57140
MondelezInt	75.04	-0.43	78.59	54.72	1.61	27.11	102193.49
Monsanto	10.07	0.02	11.13	9.56	-	51.84	251.75
MorganStly	82.30	1.08	100.99	72.05	2.32	11.25	137450.36
Netflix	363.00	-1.85	375.87	164.28	-	35.46	161366.89
NextEraE	72.66	-1.58	91.35	69.64	2.04	104.81	147021.84
Nike	108.42	0.13	129.23	82.22	0.98	31.12	133583.37
NorfolkS	210.46	-0.52	264.22	196.33	1.80	19.08	47909.03
Northrop	429.60	-11.84	556.27	429.10	1.31	10.83	65238.82
NXP	168.37	1.85	198.28	132.08	1.22	27.23	43692.02
Occid Pet	58.60	-0.79	77.13	54.30	0.06	31.24	52256.27
Oracle	102.30	3.98	103.10	60.78	1.15	42.47	276189.74
Pepsico	183.04	-1.85	196.88	154.86	2.11	36.61	252172.95
Perrigo	32.16	-0.71	43.90	30.78	2.72	-36.03	4351.4
Pfizer	37.84	-0.79	54.93	36.17	3.75	10.57	213618.42
Phillips66	93.58	-2.98	113.53	74.02	3.52	34.60	42940.34
PhilMorris	90.74	-1.61	109.81	82.85	4.92	17.09	140846.33
PNCFin	118.81	-1.44	176.47	110.31	3.68	10.27	47418.02
PPG Inds	132.09	-1.32	145.51	107.06	1.64	31.83	31096.11
ProctGmbl	145.30	-1.03	158.11	122.18	2.24	27.12	342467.64
Prudntl	79.22	-0.31	110.96	75.37	5.29	4.46	28913.48
PublStor	281.60	-1.80	357.13	270.13	2.59	31.33	49507.8
Qualcomm	102.59	-0.43	156.66	101.47	2.39	12.90	114285.26
Raytheon	92.31	-1.35	104.91	80.27	1.98	39.29	134878.02
Regen Pharm	729.59	-7.82	837.55	538.01	-	11.13	78435.49
S&P Global	357.52	2.22	395.80	279.32	0.78	31.38	115121.44
Salesforce	209.36	0.30	213.88	126.34	-	153.87	205352.4
Schlmbrg	44.75	-1.48	59.45	30.65	1.02	37.23	63553.44
Sempra Energy	143.22	-2.51	176.47	136.54	2.80	39.22	45062.68
Shrwin-Will	223.87	-4.92	278.31	195.24	0.89	35.22	57732.62
SimonProp	100.85	-1.32	129.55	86.02	6.46	16.19	32975.15
SouthCpr	65.76	0.73	82.05	42.42	4.43	16.45	50839.17
Starbucks	98.18	-1.43	115.48	70.35	1.71	29.14	112553.55
StateSt	67.21	0.18	94.74	58.62	2.95	10.26	22465.54
Stryker	269.29	-3.28	306.56	188.84	0.87	56.76	102013.57
Sychrony Fin	30.07	0.01	40.89	26.59	2.74	4.35	12887.12
T-MobileUS	136.15	-3.85	154.38	121.76	-	62.04	163365.36
Target	139.10	-4.00	183.89	137.16	2.09	10.73	64202
TE Connect	118.92	0.17	138.24	104.76	1.52	17.74	37471.69
Tesla Mtrs	184.51	1.61	314.67	101.81	-	41.35	584815.38
TexasInstr	167.62	0.55	186.30	144.46	2.29	22.28	152140.94
TheTrvelers	173.11	-2.88	194.45	149.65	1.90	11.72	39984.35
ThrmoFshr	516.89	6.17	611.06	475.77	0.18	29.17	199375.48
TJX Cos	76.43	-0.39	83.13	54.55	1.25	30.79	88008.6
Truist Financial Corp	29.97	-0.44	52.22	25.56	5.65	7.36	39910.92
Twitter	53.70	0.35	60.16	31.30	-	-224.30	41093.72
UnionPac	191.79	-0.12	242.36	183.69	2.20	19.46	117040.49
UPS	170.16	2.44	209.39	154.87	2.18	12.73	123328.51
USBancorp	30.29	-0.52	53.37	27.27	5.29	6.52	46432.17
UtdHlthcre	475.01	-5.83	558.10	449.70	1.07	28.85	442244.87
ValeroEngy	111.78	-3.01	146.81	96.93	3.19	54.07	40410.36
Verizon	34.89	-0.98	52.18	34.55	6.62	7.20	146677.26
VertexPharm	330.30	-3.55	354.46	243.17	-	40.26	85069.29
VF Cp	17.84	-0.51	51.40	17.63	10.06	6.42	6933.64
Visa Inc	222.60	0.35	235.57	174.60	0.55	40.47	360216.53
Walgreen	29.84	-0.95	44.27	29.79	5.85	4.75	25745.82
WalMartSto	145.25	-2.38	154.64	117.90	1.39	32.44	391789.63
Walt Disney	88.15	-0.92	126.48	84.07	-	56.28	161076.93
Waste Manage.	161.08	-1.54	175.98	138.89	1.30	41.23	65530.03
WellsFargo	40.80	-0.08	48.84	35.25	1.72	9.05	153071.96
Williams Cos	28.67	-0.61	37.97	27.80	5.21	25.38	34919.33
Workday	195.79	-0.41	206.68	128.72	-	1774.70	40287.71
Yum!Brnds	129.30	-1.57	143.25	103.97	1.41	27.25	36215.25
Zoetis	165.03	-4.11	187.82	124.15	0.55	42.44	76262.37
Zoom	63.26	0.63	124.05	60.45	-	15.29	15636.64
Venezuela (VEF)							
Bco de Vnzla	4.29	-	4.59	0.72	122.94	-	602.51
Bco Provncl	7.90	-0.07	70000	6.80	-	0.00	113.92

Closing prices and highs & lows are in traded currency (with variations for that country indicated by stock), market capitalisation is in USD. Highs & lows are based on intraday trading over a rolling 52 week period.
♦ ex-dividend
■ ex-capital redistribution
price at time of suspension

FT 500: TOP 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
SK Hynix	103500.00	97700.00	5800.00	5.94	5800.00	12.6	12.04
Bausch Hlth	11.22	11.28	-0.06	-0.53	1.23	11.6	15.31
Advanced Micro	119.60	108.27	11.33	10.46	0.34	10.8	42.63
ShnEtsuCh	4322.00	4253.00	69.00	1.62	253.00	8.1	7.02
Adobe	388.78	365.76	23.02	6.29	5.33	7.9	5.22
Canon	3496.00	3428.00	68.00	1.98	178.00	7.6	17.55
TokioMarine	3046.00	3055.00	-9.00	-0.29	191.50	6.4	14.16
SmsungEl	68800.00	68500.00	300.00	0.44	3500.00	5.8	5.06
Fanuc	4766.00	4799.00	-33.00	-0.69	296.00	5.8	2.83
TaiwanSem	543.00	525.00	18.00	3.43	6.00	4.6	7.10
Infosys	1304.35	1298.65	5.70	0.44	51.75	4.6	6.36
AstellasPh	2341.00	2324.00	17.00	0.73	85.00	4.6	16.65
SocGen	24.01	23.77	0.25	1.03	0.79	4.5	7.57
HondaMtr	3995.00	3958.00	37.00	0.93	131.00	4.4	14.60
Tesla Mtrs	184.51	182.90	1.61	0.88	6.01	4.3	14.70
Murata Mfg	8107.00	8046.00	61.00	0.76	271.00	4.3	5.01
CharlesSch	53.91	52.08	1.83	3.51	0.33	4.2	5.54
MitsbCp	5639.00	5651.00	-12.00	-0.21	236.00	4.1	13.46
Fuji Hvy Ind	2358.50	2363.50	-5.00	-0.21	96.50	4.0	11.73
Denso	8671.00	8687.00	-16.00	-0.18	345.00	3.9	14.81

Based on the FT Global 500 companies in local currency

FT 500: BOTTOM 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
VF Cp	17.84	18.35	-0.51	-2.78	-2.42	-14.1	-20.20
Analog Devices	171.81	173.20	-1.39	-0.80	-19.06	-10.6	-5.15
Vivendi	8.53	8.80	-0.27	-3.07	-0.72	-10.4	-13.15
Target	139.10	143.10	-4.00	-2.80	-11.08	-9.8	-11.77
Cielo	5.01	4.98	0.03	0.60	-0.54	-9.2	-0.59
Ch OSLnd&Inv	16.74	16.90	-0.16	-0.95	-1.52	-9.1	-16.16
Intel	26.98	29.00	-2.03	-6.98	-0.68	-9.1	-6.65
Zoom	63.26	62.63	0.63	1.00	-6.90	-9.0	0.27
ChinaPcIns	21.80	22.30	-0.50	-2.24	-1.65	-9.0	-8.37
AT&T	15.08	15.95	-0.88	-5.49	-0.60	-8.9	-13.99
Nike	108.42	108.29	0.13	0.12	-10.58	-8.8	-13.18
ChStConEng	5.80	5.85	-0.05	-0.85	-0.48	-8.4	-7.05
Starbucks	98.18	99.61	-1.43	-1.44	-7.48	-8.3	-10.23
Fidelity NIS	53.12	53.86	-0.74	-1.37	-3.99	-8.2	-4.00
Zoetis	165.03	169.14	-4.11	-2.43	-10.58	-8.2	-4.71
LasVegasSd	55.73	55.90	-0.17	-0.31	-4.74	-8.1	-10.69
AutoZone	2441.64	2423.62	18.02	0.74	-225.33	-7.8	-8.84
PPG Inds	132.09	133.41	-1.32	-0.99	-9.16	-7.4	-6.00
ChinaMBank	36.00	37.40	-1.40	-3.74	-1.45	-7.3	-9.55
Intuit	415.05	415.92	-0.88	-0.21	-31.74	-7.3	-1.27

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

May 25	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
High Yield US$										
HCA Inc.	04/24	8.36	BB-	Ba2	BB	113.75	4.24	0.00	0.12	-
High Yield Euro										
Aldesa Financial Services S.A.	04/21	7.25	-	-	B	71.10	28.23	0.00	0.64	25.98
Emerging US$										
Peru	03/19	7.13	BBB+	A3	BBB+	104.40	2.60	-	-	0.34
Colombia	01/26	4.50	-	Baa2	BBB-	109.50	2.33	0.16	0.52	1.28
Brazil	04/26	6.00	-	Ba2	BB-	115.15	2.78	-0.01	0.65	1.73
Poland	04/26	3.25	-	A2	A-	111.22	0.98	0.03	0.16	-0.07
Mexico	05/26	11.50	-	Baa1	BBB-	149.00	1.61	0.00	-0.12	0.56
Turkey	03/27	6.00	-	Ba2	BB+	101.26	5.82	0.00	0.17	3.07
Turkey	03/27	6.00	-	B2	BB-	102.88	5.43	0.14	0.83	4.38
Peru	08/27	4.13	BBB+	A3	BBB+	103.50	3.66	0.01	-0.02	0.80
Russia	06/28	12.75	-	Baa3	BBB	168.12	2.48	0.07	0.05	-
Brazil	02/47	5.63	-	Ba2	BB-	101.48	5.52	0.08	0.80	-
Emerging Euro										
Brazil	04/21	2.88	BB-	Ba2	BB-	103.09	0.05	0.01	-0.09	-1.19
Mexico	04/23	2.75	BBB+	A3	BBB+	107.76	0.76	0.00	-0.07	-1.56
Mexico	04/23	2.75	-	Baa1	BBB-	106.48	-0.26	-	-	-0.36
Bulgaria	03/28	3.00	BBB-	Baa2	BBB	117.04	1.00	0.02	-0.15	-1.42

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

BONDS: GLOBAL INVESTMENT GRADE

May 25	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
US$										
FleetBoston Financial Corp.	01/28	6.88	BBB+	Baa1	A-	129.00	2.54	-0.01	-0.05	-
The Goldman Sachs Group, Inc.	02/28	5.00	BBB+	A3	A	117.21	2.47	0.00	0.32	-
NationsBank Corp.	03/28	6.80	BBB+	Baa1	A-	127.69	2.72	-0.01	0.06	-
GTE LLC	04/28	6.94	BBB+	Baa2	A-	128.27	2.80	0.00	-0.11	-
United Utilities PLC	08/28	6.88	BBB	Baa1	A-	130.43	2.62	-0.07	-0.22	-
Barclays Bank plc	01/29	4.50	A	A1	A+	96.46	5.02	0.00	0.02	-
Euro										
Electricite de France (EDF)	04/30	4.63	A-	A3	A-	137.45	0.82	-0.01	0.10	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	124.42	0.68	0.00	-0.11	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	121.70	0.93	0.00	0.02	-
Finland	04/31	0.75	AA+	Aa1	AA+	111.08	-0.27	0.00	-0.05	-0.87
Yen										
Mexico	06/26	1.09	-	Baa1	BBB-	98.73	1.34	-0.02	-0.14	0.27
£ Sterling										
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	128.68	3.20	0.00	-0.01	0.40
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	137.45	2.19	-0.03	0.02	-

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

INTEREST RATES: OFFICIAL

May 25	Rate	Current	Since	Last
US	Fed Funds	4.75-5.00	22-03-2023	4.75-4.50
US	Prime	8.25	04-05-2023	8.00
US	Discount	5.00	02-05-2023	4.75
Euro	Repo	3.25	02-05-2023	2.899
UK	Repo	4.50	11-05-2023	4.25
Japan	O'night Call	0.00-0.10	01-02-2016	0.00
Switzerland	Libor Target	-1.25-0.25	15-01-2015	-0.75--0.25

INTEREST RATES: MARKET

May 25 (Libor: May 24)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	5.06186	-0.004	0.000	0.003	5.14086	5.42443	5.53214	5.53371
Euro Libor	-0.64957	-0.064	0.000	0.001	-0.61943	-0.58057	-0.55600	-0.48571
£ Libor	0.18063	-0.005	0.000	0.001	4.20130	4.84140	4.74470	0.81363
Swiss Fr Libor				-0.002	-0.77540	-0.75300	-0.70280	-0.55320
Yen Libor				0.000	-0.06005	-0.02617	0.07165	0.04867
Euro Euribor				-0.004	3.13800	3.41500	3.74400	3.93200
Sterling CDs				0.000	0.50000	0.63000	0.78500	
US$ CDs				0.030	5.21000	5.41000	5.51000	
Euro CDs				0.010	3.19000	3.38000	3.61000	

May 25	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	2.89	3.19	2.92	3.22	3.04	3.34	3.23	3.53	3.46	3.76	3.61	3.91
Sterling					0.45	0.55	0.58	0.68	0.71	0.86	0.90	1.05
US Dollar	4.88	5.08	4.91	5.11	5.11	5.31	5.31	5.51	5.41	5.61	5.33	5.53
Japanese Yen	-0.30	-0.10	-0.30	-0.10	-0.25	0.05	-0.15	0.05	-0.05	0.15	0.00	0.20

Libor rates come from ICE (see www.theice.com) and are fixed at 11am UK time. Other data sources: US $, Euro & CDs: Tullett Prebon; SDR, US Discount: IMF; EONIA: ECB; Swiss Libor: SNB; EURONIA, RONIA & SONIA: WMBA.

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Markit IBoxx						
ABF Pan-Asia unhedged	207.75	-0.24	-0.93	1.98	-0.68	1.79
Corporates(£)	323.08	-0.46	-2.57	-0.01	-2.23	-9.39
Corporates(€)	210.97	0.00	-0.63	1.76	0.03	-4.22
Eurozone Sov(€)	210.44	0.10	-0.89	1.41	0.19	-8.60
Gilts(£)	259.87	-0.12	-4.03	-3.60	-3.81	-19.39
Overall(£)	271.15	-0.21	-3.58	-2.63	-3.33	-16.80
Overall(€)	207.00	0.08	-0.77	1.38	0.19	-7.61
FTSE						
Sterling Corporate (£)	-	-	-	-	-	-
Euro Corporate (€)	104.47	-0.05	-	-	0.54	-1.73
Euro Emerging Mkts (€)	650.94	9.98	-	-	0.48	7.76
Eurozone Govt Bond	110.04	-0.19	-	-	-0.34	-0.64

CREDIT INDICES	Index	Day's change	Week's change	Month's change	Series high	Series low
Markit iTraxx						
Crossover 5Y	437.30	-7.94	1.29	-10.76	510.17	424.31
Europe 5Y	82.98	-1.71	-0.50	-1.53	101.15	79.69
Japan 5Y	74.94	0.65	0.44	-8.96	99.54	72.75
Senior Financials 5Y	94.91	-2.76	-1.96	-3.46	124.01	91.28
Markit CDX						
Emerging Markets 5Y	258.04	1.77	-0.50	8.94	265.81	229.64
Nth Amer High Yld 5Y	495.37	7.63	-2.48	11.41	511.98	458.20
Nth Amer Inv Grade 5Y	79.49	1.02	-0.94	0.50	88.71	73.57

Websites: markit.com, ftse.com. All indices shown are unhedged. Currencies are shown in brackets after the index names.

VOLATILITY INDICES

	May 25	Day Chng	Prev	52 wk high	52 wk low
VIX	19.67	-0.36	20.03	35.05	15.53
VXD	18.51	0.84	17.67	37.57	10.88
VXN	22.60	0.20	22.40	41.12	5.85
VDAX	19.35	-0.93	20.28	93.30	-

† CBOE. VIX: S&P 500 index Options Volatility, VXD: DJIA Index Options Volatility, VXN: NASDAQ Index Options Volatility.
‡ Deutsche Borse. VDAX: DAX Index Options Volatility.

BONDS: BENCHMARK GOVERNMENT

	Red Date	Coupon	Bid Price	Bid Yield	Day chg yield	Wk chg yield	Month chg yld	Year chg yld
Australia	-	-	-	-	-	-	-	-
	05/32	1.25	81.82	3.64	-0.01	0.22	0.31	0.31
	02/50	1.00	98.87	1.67	-0.02	0.19	0.19	0.39
Austria	02/29	0.50	87.34	2.93	0.00	0.14	0.16	1.73
	02/47	1.50	70.77	3.29	-0.03	0.09	0.19	1.55
Belgium	06/27	0.80	92.32	2.82	0.01	0.13	0.14	1.90
	06/47	1.60	68.78	3.55	-0.02	0.09	0.16	1.47
Canada	03/25	1.25	95.07	4.18	0.04	0.10	0.48	1.60
	06/30	1.25	87.45	3.27	0.04	0.14	0.43	0.50
	12/48	2.75	90.45	3.31	0.04	0.14	0.31	0.50
Denmark	11/29	0.50	87.27	2.67	-0.01	0.12	0.12	1.47
	11/52	0.25	50.23	2.73	-0.03	0.06	0.16	1.26
Finland	09/24	0.00	96.14	3.06	-0.01	0.12	0.18	2.48
	09/29	0.50	86.31	2.91	-0.02	0.12	0.11	1.69
France	05/28	0.75	90.54	2.81	0.01	0.13	0.15	1.77
	05/48	2.00	76.11	3.44	-0.02	0.10	0.18	1.51
Germany	08/29	0.00	86.34	2.39	0.00	0.12	0.13	1.59
	08/50	0.00	50.75	2.52	-0.03	0.10	0.19	1.39
Greece	-	-	-	-	-	-	-	-
	01/28	3.75	101.88	3.31	-0.02	-0.15	-0.32	0.78
Ireland	-	-	-	-	-	-	-	-
	05/26	1.00	94.91	2.81	-0.01	0.12	0.14	2.04
	02/45	2.00	78.85	3.39	-0.02	0.09	0.16	1.46
Italy	02/25	0.35	94.89	3.50	0.02	0.16	0.17	2.01
	05/30	0.40	90.63	1.84	-0.07	0.00	0.11	1.32
	03/48	3.45	82.40	4.65	-0.02	0.11	0.21	1.31
Japan	04/25	0.05	100.06	0.02	-0.01	-0.01	-0.03	-0.02
	12/29	0.10	99.44	0.19	0.00	0.04	-0.02	0.04
	12/49	0.40	81.31	1.23	0.02	0.03	-0.03	0.29
Netherlands	07/27	0.75	92.50	2.69	0.01	0.14	0.13	1.85
	01/47	2.75	98.03	2.87	-0.03	0.09	0.18	1.51
New Zealand	05/31	1.50	81.18	4.32	-0.14	0.12	0.24	0.84
	09/40	2.50	122.95	2.41	-0.13	0.01	0.16	0.56
Norway	08/30	1.38	87.46	3.36	-0.02	0.13	0.20	0.61
Poland	-	-	-	-	-	-	-	-
	07/27	2.50	87.27	6.05	0.00	0.15	0.12	-0.74
	04/47	4.00	77.44	5.76	-0.03	-0.03	-0.17	-0.54
Portugal	04/27	4.13	104.79	2.80	-0.01	0.09	0.09	1.51
Spain	-	-	-	-	-	-	-	-
	10/29	0.60	85.01	3.22	0.00	0.12	0.15	1.56
	10/46	2.90	83.32	4.01	-0.01	0.10	0.21	1.43
Sweden	06/30	0.13	114.63	0.57	-0.08	-0.02	-0.17	1.63
	03/39	3.50	113.36	2.47	-0.04	0.07	0.03	0.68
Switzerland	04/28	4.00	114.51	0.93	0.01	0.10	-0.02	0.59
	06/29	0.00	94.35	0.96	0.01	0.10	-0.03	0.53
United Kingdom	07/23	0.75	99.41	4.49	0.01	0.13	0.22	3.11
	07/27	1.25	88.80	4.21	0.15	0.48	0.55	2.67
	07/47	1.50	55.79	4.53	-0.02	0.27	0.43	2.39
United States	-	-	-	-	-	-	-	-
	03/25	0.50	93.06	4.45	0.06	0.25	0.34	1.77
	02/30	1.50	86.81	3.73	0.03	0.17	0.24	0.99
	02/50	0.25	68.79	1.71	0.02	0.06	0.16	0.97

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GILTS: UK CASH MARKET

May 25	Price £	Red Yield	Change in Yield Day	Change in Yield Week	Change in Yield Month	Change in Yield Year	52 Week High	52 Week Low	Amnt £m
	-	-	-	-	-	-	-	-	-
Tr 0.75pc '23	99.42	4.47	2.05	4.44	8.23	228.68	99.43	97.34	34.36
Tr 0.125pc '24	96.88	4.84	3.64	11.01	16.63	233.79	97.79	94.34	35.55
Tr 2pc '25	94.37	4.63	4.28	14.32	20.57	212.84	101.61	93.15	39.93
Tr 0.125pc '26	89.15	4.47	4.68	15.21	22.80	202.03	95.25	86.33	35.32
Tr 1.25pc '27	88.16	4.40	4.76	14.29	22.22	183.87	98.68	85.65	40.99
Tr 0.5pc '29	80.55	4.41	4.50	12.50	20.16	159.41	95.06	78.21	28.92
Tr 1pc '32	76.20	4.32	4.10	10.77	19.01	127.37	122.11	76.20	35.96
Tr 4.25pc '36	97.60	4.50	3.93	9.76	18.11	112.26	125.01	94.91	31.68
Tr 4.5pc '42	98.29	4.63	2.89	6.93	15.46	111.42	137.24	93.79	28.35
Tr 3.75pc '52	85.97	4.63	2.89	5.95	15.46	116.36	134.46	82.51	25.11
Tr 4pc '60	90.32	4.54	2.48	5.83	16.11	122.55	149.40	87.32	25.13

Gilts benchmarks & non-rump undated stocks. Closing mid-price in pounds per £100 nominal of stock.

GILTS: UK FTSE ACTUARIES INDICES

Price Indices

Fixed Coupon	May 25	Day's chg %	Total Return	Return 1 month	Return 1 year	Yield
1 Up to 5 Years	80.24	-0.40	2322.98	-1.38	-3.88	4.57
2 5 - 10 Years	141.86	-1.15	3027.53	-4.27	-13.03	4.29
3 10 - 15 Years	147.27	-1.66	3431.02	-6.26	-19.11	4.49
4 5 - 15 Years	141.96	-1.31	3120.43	-4.89	-14.83	4.37
5 Over 15 Years	192.10	-2.08	3340.37	-9.63	-33.60	4.58
7 All stocks	128.07	-1.21	2882.16	-5.19	-18.91	4.52

Index Linked	May 25	Day's chg %	Month chg %	Year's chg %	Total Return	Return 1 month	Return 1 year
1 Up to 5 Years	323.06	-0.32	-1.34	-0.03	2745.79	-1.17	1.07
2 Over 5 years	492.80	-2.10	-9.76	-32.78	3767.18	-9.65	-32.41
3 5-15 years	435.07	-1.44	-5.51	-14.60	3534.10	-5.36	-13.88
4 Over 15 years	532.15	-2.59	-12.72	-41.89	3945.51	-12.63	-41.67
5 All stocks	474.59	-1.79	-8.37	-28.65	3702.46	-8.25	-28.19

Yield Indices	May 25	May 24	Yr ago		May 25	May 24	Yr ago
5 Yrs	4.33	4.13	1.53	20 Yrs	4.63	4.49	2.22
10 Yrs	4.38	4.21	1.93	45 Yrs	4.46	4.34	1.97
15 Yrs	4.55	4.40	2.16				

Real yield	inflation 0% May 25	Dur yrs	Previous	Yr ago	inflation 5% May 25	Dur yrs	Previous	Yr ago
Up to 5 yrs	1.78	2.30	1.64	-2.38	1.30	2.31	1.15	-2.94
Over 5 yrs	1.16	18.52	1.05	-1.31	1.12	18.58	1.01	-1.34
5-15 yrs	1.03	9.17	0.87	-1.77	0.93	9.18	0.77	-1.88
Over 15 yrs	1.20	25.37	1.09	-1.24	1.18	25.39	1.07	-1.26
All stocks	1.18	15.58	1.06	-1.33	1.13	15.68	1.01	-1.36

See FTSE website for more details www.ftse.com/products/indices/gilts
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COMMODITIES

www.ft.com/commodities

Energy		Price*	Change
Crude Oil†	Jul	73.11	-1.23
Brent Crude Oil‡		75.45	-2.91
RBOB Gasoline†	Jul	2.67	-0.05
Natural Gas†	Jul	2.51	-0.05
Base Metals (♠ LME 3 Months)			
Aluminium		2208.00	2.00
Aluminium Alloy		2150.00	-75.00
Copper		7944.00	53.00
Lead		2052.00	7.50
Nickel		21365.00	610.00
Tin		24380.00	330.00
Zinc		2229.00	-66.00
Precious Metals (PM London Fix)			
Gold		1969.65	0.45
Silver (US cents)		2341.50	25.50
Platinum		1042.00	-24.00
Palladium		1425.00	-35.00
Bulk Commodities			
Iron Ore		95.54	-11.00
Baltic Dry Index		1215.00	-80.00
Richards Bay ICE Futures		110.00	-1.35

Agricultural & Cattle Futures		Price*	Change
Corn♦	Jul	589.50	2.25
Wheat♦	Jul	606.00	-0.25
Soybeans♦	Jul	1324.50	0.00
Soybeans Meal♦	Jul	401.30	-0.90
Cocoa (ICE Liffe)✠	Jul	2366.00	11.00
Cocoa (ICE US)♥	Jul	3010.00	0.00
Coffee(Robusta)✠	Jul	2551.00	-22.00
Coffee (Arabica)♥	Jul	184.55	-3.45
White Sugar✠		696.80	-11.20
Sugar 11♥		25.05	-0.44
Cotton♥	Jul	81.81	0.09
Orange Juice♥	Jul	294.35	0.45
Live Cattle♣	Jun	166.20	1.93
Feeder Cattle♣	May	134.88	-
Lean Hogs♣	Jun	79.58	-1.10

	May 24	% Chg Month	% Chg Year
S&P GSCI Spt	538.23	-5.25	-30.28
DJ UBS Spot	99.02	-5.32	-25.02
TR/CC CRB TR	290.57	-3.22	-13.06
LEBA EUA Carbon	58.91	-1.98	129.94
LEBA UK Power	1048.00	-37.43	-39.60

Sources: † NYMEX, ‡ ECX/ICE, ♦ CBOT, ✠ ICE Liffe, ♥ ICE Futures, ♣ CME, ♠ LME/London Metal Exchange.* Latest prices, $ unless otherwise stated.

BONDS: INDEX-LINKED

	Price May 24	Yield May 24	Yield Prev	Month return	Value stock	Market	No of stocks
Can 4.25%' 26	109.06	1.590	1.541	-0.95	5.25	70922.63	8
Fr 0.25%' 24	100.28	0.012	0.031	0.33	17.92	259970.68	17
Swe 1.00%' 25	126.80	0.901	0.980	0.60	35.93	227272.70	7
UK 2.500%' 24	374.53	1.605	1.636	-0.01	6.82	516068.60	30
UK 2.50%' 24	374.53	1.605	1.636	-0.01	6.82	516068.60	30
UK 2.00%' 35	237.17	0.768	0.823	-3.47	9.08	516068.60	30
US 0.625%' 26	96.48	1.998	1.900	-0.72	42.42	1640507.16	48
US 3.625%' 28	109.06	1.687	1.601	-1.37	16.78	1640507.16	48

Representative stocks from each major market Source: Merill Lynch Global Bond Indices † Local currencies. ‡ Total market value. In line with market convention, for UK Gilts inflation factor is applied to price, for other markets it is applied to par amount.

BONDS: TEN YEAR GOVT SPREADS

	Bid Yield	Spread vs Bund	Spread vs T-Bonds		Bid Yield	Spread vs Bund	Spread vs T-Bonds
Australia	3.64	1.25	-0.09	Netherlands	2.69	0.30	-1.05
Austria	2.93	0.54	-0.81	New Zealand	4.32	1.93	0.58
Canada	3.27	0.88	-0.46	Norway	3.36	0.97	-0.38
Denmark	2.67	0.28	-1.07	Portugal	2.80	0.42	-0.93
Finland	2.91	0.52	-0.83	Spain	3.22	0.83	-0.52
Germany	2.39	0.00	-1.35	Sweden	0.57	-1.82	-3.16
Italy	1.84	-0.55	-1.90	Switzerland	0.96	-1.43	-2.77
Japan	0.19	-2.20	-3.55	United States	3.73	1.35	0.00

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MORNINGSTAR®

ARTS

Tale of hydrangeas and heightened reality

FILM

Danny Leigh

Master Gardener
Paul Schrader
★★★☆☆

The Little Mermaid
Rob Marshall
★★★☆☆

Hypnotic
Robert Rodriguez
★★☆☆☆

A Crack in the Mountain
Alastair Evans
★★★★☆

Top: Quintessa Swindell and Joel Edgerton in 'Master Gardener'. Above: Ben Affleck in 'Hypnotic'

Paul Schrader might be the last man on earth you would choose to get stuck in a lift with. Frankly, the lift might protest too. The filmmaker's association with bilious misanthropy stretches back as far as 1976, and the script that began his career, *Taxi Driver*. Schrader often compared himself to its frantic anti-hero, Travis Bickle.

His later work did not improve his mood. By 2016, despite directing cerebral, well-regarded dramas such as *Light Sleeper* and *Affliction*, mainstream Hollywood had clearly made its last Paul Schrader film. "Fuckers," he replied in one typical interview.

Naturally, we now have **Master Gardener**, the latest instalment of an unlikely comeback. Schrader and his troubled men unto themselves have returned to vogue. As per the title, the new film concerns a horticulturalist, Narvel Roth, played by Joel Edgerton. That much feels oddly playful. *Wait*. Paul Schrader has made a movie about the simple joys of successful hydrangeas? (Actually, in a sense: yes.)

As Narvel tends the grounds of a grand house somewhere in the American South, we try to guess what could be wrong with this picture. Intrigue takes root between Narvel and his employer: icy blueblood Norma Haverhill, brilliantly played by Sigourney Weaver with a hint of *Sunset Boulevard*. The murk gets denser still with the arrival of her grandniece, Maya (Quintessa Swindell).

Two female leads, then, though it falls to a male supporting character to wear a T-shirt reading "We Should All Be Feminists". What is Schrader up to, he'd obviously like us to ask, given he has lately embraced a media role as cartoonish fist-waver at "wokery". But his actual films have always been more elusive and intelligent than this shtick implies. That too was true dating back to *Taxi Driver*, to which *Master Gardener* sometimes bears a family resemblance — if gentler, sadder and more strangely hopeful.

A spoiler warning: see you in the next paragraph if you wish. A puzzle piece slots into place when Roth reveals a torso covered with white supremacist tattoos: the kind that speak to an organised past, and a new legal identity. If you wondered "what sort of name is Narvel Roth?" the answer is not just the sort Paul Schrader makes up. It's what he imagines the FBI make up.

Despite his first calling being the typewriter, Schrader's scripts can be his weak spot. His stories always unfold in a heightened movie reality, but here actual reality can really feel a distance away. And the screenplay loves the spotlight, stacked with self-regarding lines that beg the suffix *said no one, ever*. "There are things you know in your flesh," Edgerton broods. "Your *nostrils*."

But Schrader is more than the sum of his over-writing. Edgerton, Weaver and Swindell make the emotion behind the dialogue plausible. That takes good actors. It also needs a filmmaker who, for all his bluster, knows how to draw out excellence on camera.

Another Schrader directs his movies: a sure hand working in crisp, clean lines, dealing provocatively but chewily with high-risk themes such as the American past, the American present. And redemption too, of course, the stuff of countless hokey Hollywood narratives. Schrader has spent a career mapping it more honestly; he does the same again here. You start, he says, by telling the truth.

In UK cinemas now

For the underwater characters in Disney re-do **The Little Mermaid**, dry land is discussed with fear. The sense of peril may not be misplaced. Not only is bashing Disney still central to the political ambitions of Florida governor Ron DeSantis, implausibly, this wilfully bland musical has been snared in the culture war since the 2019 casting of Halle Bailey as half-fish heroine Ariel.

In brief, Bailey is black, and the announcement of her role as star led to much grim online vitriol around the historically accurate ethnicity of *a mermaid*. (Strikingly, few commenters also demanded the new film be made in Danish, in line with Hans Christian Andersen's original story.)

Bailey is a charming and charismatic presence. She nails the broad strokes, the high notes and even adds nuance. Casting her is the smartest call in a movie director Rob Marshall otherwise brings home with grinding efficiency, the latest in a string of timid live-action remakes of animated Disney IP. The CG animation keeping the actors company is flawless but boring, for all the fleeting devilry of Melissa McCarthy as a tentacled villainess and the sight of Javier Bardem as King Triton, arriving in a vortex of sprats.

Bardem keeps his Spanish accent; Sebastian the talking crab is rendered by actor Daveed Diggs as ambiguously Jamaican. The marine geography is now made explicit, the story said to be taking place between the Caribbean islands and the coast of Colombia. A batch of new tunes come from Lin-Manuel Miranda. It isn't work he will be remembered for, though it would take effort to dislike "The Scuttlebutt", an infectious piece of salsa-hop sung by Awkwafina in the guise of a needy seagull.

But the core of the 1989 animation remains in place, the story still centred on star-cross'd passion between Ariel and Jonah Hauer-King's earnestly human Prince Eric. The name recalls Monty Python, but that doesn't stop Eric loudly announcing his inclusive bona fides. "I'm trying to reach out to other cultures so we don't get left behind!" he frowns, one of many variations on the theme. If DeSantis knew what a joke was he'd be tickled, the whole character almost reading as a Trojan horse send-up of Disney chief executive Bob Iger. Little is helped by Hauer-King, whose line readings suggest having just had a medicine ball bounced off his head. Frankly, this Ariel could do better.

In cinemas now

"Don't worry, I'm not Bunco," Ben Affleck declares early in the tiring new thriller **Hypnotic**. The phrase is vintage US slang for the fraud squad. His character, unsmiling cop Danny Rourke, uses the phrase while visiting what the movie has just called a "dime-store psychic". The language suggests time travel back to the golden age of noir, or at least a movie fun enough to kill 93 minutes. Curb your enthusiasm. Affleck is, as so often, the wrong actor for fun.

From the outset of this would-be mind-bender, Detective Rourke is haunted by the abduction of his young daughter. The scene is captured in flashback; the scale of personal tragedy by the star's default dull-eyed peevishness. But the story shifts gear when he stumbles into the world of "hypnotics" — in essence, steroidal hypnotists who can puppet-master strangers with a single meaningful glare. Come *on!* Picture the mad Hitchcock high jinks a movie could get up to with that premise.

Keep picturing them too, because despite aiming for a tone of the knowingly outlandish, Robert Rodriguez's movie is leaden to the last. The mood is gun-happy and conspiracy-minded, but the real killer is what feels like 80 per cent of the running time being spent with Affleck and co-stars standing in rooms explaining the plot.

"He erased his own mind?" He did. "Hypnotics did this?" Indeed. "Are we even really here?" Somebody call Bunco.

In UK cinemas now

Much of what you see in **A Crack in the Mountain** is insanely beautiful. Therein lies the problem. The subject of this compelling documentary is Hang Son Doong in central Vietnam: not just the world's largest cave passage, but beyond spectacular even witnessed second-hand. Director Alastair Evans duly captures cave ceilings whose vaulted grandeur recalls cathedrals but have the height of skyscrapers; leviathan waterfalls and rainforests; celestial light and sudden pools of ink-spot darkness. One explorer says the cave is like living cinema; another like nothing on Earth.

But Evans also tells a story: one of the faultline between conservation and economics. Hang Son Doong was only discovered by a Vietnamese farmer in 1990. For most of the three decades since, it has remained a relative secret, and pristine as a result. The looming question: how much longer?

Though the vista remains the heart of the film, the lens also widens. A principal is Huong Nguyen Thien Le, a childhood reader of Jules Verne who later fell in love with her own country's journey to the centre of the Earth. Now, she campaigns to limit the number of tourists tramping through it. The case for that is obvious. You too will blanch when a mooted cable car threatens to raise the human presence from a few hundred people daily to a thousand an hour.

'Master Gardener' sometimes bears a family resemblance to 'Taxi Driver'

Yet the film has integrity enough to deal head-on with competing realities. When Hang Son Doong was stumbled on, we learn, not a single man-made structure stood for miles around. The area had been bombed into a crater in the war with America, and simply never rebuilt.

Now the shadow of mass tourism offers local people a possible escape from poverty. Jobs as porters are already cherished; more would come with hotels and restaurants. Whose place is this paradise anyway? And whose place to decide the future?

Evans lets us sit with those troubling, unresolved questions, at the same time as we marvel at the natural magic under Vietnam.

In UK cinemas now

Left: Halle Bailey as the half-fish heroine Ariel in 'The Little Mermaid'. Below: the shadow of mass tourism hangs over a Vietnam cave system in 'A Crack in the Mountain'

FT BIG READ. MEDIA

The evaporation of TPG's $450mn investment in the company once regarded as the future of media shows what can happen when Wall Street collides with an uncontrollable creative industry.

By Anna Nicolaou and Sujeet Indap

Private equity's ill-fated bet on Vice

When private equity investors put nearly half a billion dollars into Vice Media in 2017, co-founder Shane Smith hinted that the cash would help his digital media company achieve a public listing that "would look very sexy".

Speaking at an advertising festival in Cannes, with sunglasses on and the French Riviera behind him, the blustering media executive joked with reporters that he "rounds up" Vice's $5.7bn valuation to $6bn "because it's easier to say".

For years, Vice had been widely regarded as the future of media. The injection of cash led by private equity group TPG and its then partner Sixth Street was meant to propel the company towards either a splashy initial public offering or a multibillion-dollar sale.

Instead, the opposite happened. After a series of disappointing results, years of chaotic management, risky endeavours and a liquidity crisis, Vice has filed for bankruptcy. TPG's $450mn bet has been wiped to zero. Vice's overall valuation rests below $300mn.

"You put a big target on your back when you say 'we know better, we're the future'," says a former senior Vice executive. "Shane was always out trying to be the rainmaker . . . Everybody bought into it. But it didn't come to bear, and now look at the downfall."

Vice's demise is the culmination of an era where legacy media and investors put billions into online news start-ups such as BuzzFeed, Vox Media and Group Nine hoping to capture millennial users and ad dollars. In 2012, Rupert Murdoch drank tequila with the bearded, tattooed Smith at Vice's Brooklyn office. Months later, his 21st Century Fox group invested $70mn in Vice.

> 'Shane was always out trying to be the rainmaker. Everybody bought into it. But it didn't come to bear'

Vice co-founder Shane Smith helped build a small punk magazine into a sprawling global media empire. But after Vice filed for bankruptcy last week, some investors and former staffers are questioning his decisions, such as the money poured into TV channel Viceland, below

FT montage/Getty Images/Dreamstime; Richard B. Levine/Alamy

The fall is also the story of Wall Street colliding with a creative industry that was home to big personalities and towering egos. In a few months, the company that staked its reputation on being edgy and irreverent — publishing stories such as "Here's everything you need to know about ketamine" and "Twenty hours in a New York strip club" — will be owned by Wall Street lenders.

It raises questions about the tactics of private equity companies, which have in recent years earned a reputation as the curse of the US news media, gutting newspapers for short-term profits. Some Vice investors and former executives, including shareholder James Murdoch, the son of Fox Corporation chair Rupert Murdoch, blame TPG for Vice's demise.

"[James Murdoch] was very disappointed and upset at [TPG's] position," says one person close to the situation. (Many former Vice executives and investors interviewed for this article requested anonymity due to the legal proceedings; James Murdoch declined a request for comment.) A different person close to Vice described the TPG-Vice relationship as an ill-constructed marriage: two attractive and accomplished people who got quickly hitched only to realise that they were incompatible. Another investor described TPG's involvement as "choking the company to death".

"We actively supported Vice throughout our investment and despite not controlling the company, we worked tirelessly with its leadership to enhance its profitability," TPG said in a statement. "Vice's liquidity situation is a result of operating losses and the company's inability to pay debt that was separate from TPG's investment," it added.

Losers of the Vice bankruptcy include titans of media and finance — the Murdochs, Bob Iger of Disney, Sir Martin Sorrell, and others — whose companies or former companies combined poured about $1.5bn into Vice over the years, and lost almost all of it.

The losses reveal how a good sales pitch can impress even the most experienced giants of business — particularly during the "free money" era of the 2010s, when investors searched for places to put their cash.

The money transformed Vice from upstart disrupter to a standard-bearer for the future of digital media. As Smith himself framed it: "We were everybody's kid brother until we started taking a lot of money from people."

New kid on the block

Smith started Vice almost three decades ago as a counterculture magazine in Montreal. His early audience of a few thousand Canadians turned to Vice for its subversive articles about music, fashion, drugs and sex.

In 1999 Smith moved the operation to New York and befriended the likes of director Spike Jonze and media executive Tom Freston. With their encouragement he expanded Vice into online video, where advertising money was migrating in the 2010s.

Vice gained a big following for its eclectic mix of silly coverage with award-winning documentaries about the Islamic State in Iraq and Syria filmed in a characteristic gonzo style. Mainstream media publications marvelled at Vice, the radical new kid on the block. "News Corp, Time Warner, Bertelsmann, Condé Nast . . . everyone is after us," Smith told the Financial Times in 2012.

The biggest old media conglomerates piled in. Fox's $70mn was followed by Disney in 2015 with a $200mn stake it quickly doubled. In 2014, Smith personally handed out $1,500 in cash to each employee at a company-wide party where rapper Lil Wayne performed.

Flush with cash, Smith took on a lofty, expensive new project: launching a cable news channel. Describing ambitions to build a hybrid of "MTV, ESPN and CNN" for millennials, Viceland quickly expanded into dozens of countries through a series of joint ventures.

What had started as a print magazine had grown into an online video and television production company with an array of global distribution and licensing deals, including a nightly news show for HBO, and an in-house advertising agency. Somehow, even while producing sponsored videos for legacy corporations such as GE, Vice held on to its "cool" factor.

Enter TPG, one of the world's largest private capital groups, which had made its name as a canny value and distressed asset investor in the 1990s, turning round busted airlines, banks, and the likes of Burger King and J Crew.

By the 2010s, with interest rates hovering around zero and corporate valuations soaring, the limited set of bargain buys forced TPG into so-called growth equity. In these deals, TPG funded businesses on the cusp of going public that needed a last infusion of cash before reaching escape velocity. TPG made big bets on Uber, Airbnb and Spotify, among others, that would pay off richly.

But such investments come with conditions designed to protect the investor's interests. TPG's and Sixth Street's money came in the form of preferred stock rather than common shares. The preferred stock paid a 12 per cent dividend in the form of additional stock and junior debt rather than cash and had other rights for priority payment, which contributed to a "complex and restrictive equity structure", according to bankruptcy filings. This investment, however, did leave room for higher priority senior loans to be undertaken by Vice in future years.

It was not the deal small print, but rather Vice's staggering $5.7bn valuation that made headlines. TPG had placed Vice's worth at more than double the market value of The New York Times at that time.

Vice insiders and investors point to Smith's gusto as the engine behind what became a toxic cycle of ever-higher valuations. "When you raise money at increasing valuations, if you have portrayed yourself at a certain value, you end up managing the strategy of the business in accordance with that," says one large Vice investor. "So if you established you are a $10bn company, then you have to get bigger in a way that's . . . irrational."

Yet the 2017 valuation was something of a mirage. One person close to the company's financials notes that while the TPG preferred stock investment valued Vice at a total of $5.7bn, such a number was largely contrived for marketing purposes.

Rather, the key figure at the time was the "liquidation preference" on the preferred stock of 1.8 times. That meant that in the event of a bankruptcy, TPG and Sixth Street were entitled to receive $810mn — their $450mn original investment multiplied by 1.8 — before any other of the then shareholders could get any proceeds.

By the time TPG entered the picture in 2017, cracks had begun to appear across the Vice empire. Viceland, which Smith had promised would "bring millennials back to TV", bombed, drawing minuscule audiences.

Smith's executive team, as well as Vice investors and staff, were growing impatient. "People were mad that they hadn't gotten rich like Shane had promised," says a former senior executive.

'Utter chaos'

Vice had spent heavily to launch its television channels, pressuring its finances, just as online advertising was slowing. Weighed by its miscalculation with Viceland, Vice missed its revenue targets by $100mn in 2017.

Capping off the bad year, days before Christmas The New York Times published a report of widespread sexual misconduct at the company. Vice's irreverence, previously an asset, became a liability. Former executives describe that moment as the inflection point at which the company descended into "utter chaos".

Amid all these factors, some investors ultimately blame TPG for Vice's downfall. "Private equity does this: they give you a high headline valuation. But the paper they give you is like a noose around your neck that gets tighter the longer you don't have a liquidity event," says one shareholder, referring to either an IPO or a sale of the company.

Other investors in Vice say that TPG's capital structure bred a combative atmosphere because TPG's preferred standing left it with incentives different from seemingly equally situated stakeholders.

One investor says that Vice's problem was not the strings attached to the money, but the fact that the company continued to haemorrhage cash each year, burning, by his estimate, $1bn in recent years. What Vice lacked was a stronger voice in the boardroom calling for a sustainable business strategy, says the investor.

People close to TPG reject the suggestion that its financing terms were too onerous, noting that it never took interest or dividend distributions in cash and continued to pump money into Vice after its original preferred stock deal.

In 2018 Smith brought in Nancy Dubuc, a television veteran, to take over as chief executive. Her task was to shore up the business and handle the "boring corporate stuff", as one employee describes it. But that year, operating losses ballooned to more than $200mn, says a person familiar with the financials. Dubuc moved to reduce costs, cutting staff as part of a restructuring.

Even as Vice's prospects deteriorated, new and existing investors — including TPG, Sixth Street, Disney, Technology Crossover Ventures, James Murdoch's Lupa and Antenna Group — pumped in more capital in the form of junior debt and preferred equity.

This continued even after the Covid-19 pandemic hit. According to court filings, Vice was able to raise more than $300mn in 2020 and 2021, while it sought in vain for a buyer or a public listing through a special purpose acquisition company, or Spac, merger. Much of the preferred stock and debt was accruing dividends and interest at double-digit rates.

> 'Private equity does this: they give you a high headline valuation. But the paper they give you is like a noose around your neck'

In 2022, TPG and Sixth Street took control of Vice's board, hoping to sell Vice for $1.5bn. Board meetings began to resemble shareholder meetings, with discussions centred around selling the company, rather than operations or strategy, according to people in the meetings. The process coincided with a marketwide revaluation for media and tech companies and an advertising market slowdown. As the Federal Reserve raised interest rates, Wall Street soured on companies that were not profitable, or only marginally profitable.

Vice's most consequential financing turned out to be a $250mn senior secured loan that was led by another hard-edged fund, Fortress Investment Group, in 2019. That loan's maturity in late 2022, along with its priority ranking in the Vice capital stack, put Fortress in position to gain control of a reorganised Vice Media. That is exactly what happened last week as Vice filed for bankruptcy, with Fortress striking a preliminary deal to swap $225mn in debt for ownership of the company.

The next chapter

Falling into administration is a humbling moment for Smith. Fortress is open to keeping him on in some capacity, according to a person familiar with the matter. Fortress executives speak highly of Vice's studio and television news units, as well as the Virtue ad agency. They are less keen on Vice's online publishing business. But Fortress has no current plans to shutter Vice News, according to people close to the situation.

Apart from TPG and Disney — which had already written off its entire stake in 2019 — another person who has suffered losses from the Vice debacle is James Murdoch. After serving on its board for several years while he was chief executive of 21st Century Fox, he used some of his proceeds from his father's blockbuster Fox-Disney deal to invest in Vice.

Company insiders insist that Vice's cost structure has markedly improved with the input of the private equity investors, even if revenue has not rebounded. What was once a complicated set of disparate media segments had been streamlined and headcount has been cut in half.

Vice insiders and investors are holding out hope that another bidder will enter the room. "There is no better salesman than Shane . . . and that [current] valuation couldn't be lower," says a person close to the board. "Buying something cheap cures a lot of ills."

The FT View

FINANCIAL TIMES
'Without fear and without favour'

ft.com/opinion

Meta's fine has repercussions for EU-US data flows

Brussels and Washington need to find a route to a workable legal framework

The €1.2bn fine on Meta this week is the biggest ever imposed under EU data protection rules. The Facebook owner hardly has a blameless record, and has been fined before over lax privacy protections, including $5bn by US regulators in 2019 over the Cambridge Analytica scandal. Yet in this case Meta — like scores of other companies — is caught in a mismatch between EU and US law. The decision against it signals in effect that there is no functioning legal basis for Meta to do what it has been doing: transferring EU user data to the US. Unless a new attempt to create a framework to bridge the legal gap succeeds, the implications for tech firms, consumers and the internet are far-reaching.

The crux is that EU law since 1995 has prohibited transfers of personal data to third countries unless they offer "adequate" levels of data protection. But the EU imposes much higher protections than the US, reinforced by its 2018 General Data Protection Regulation and a charter of fundamental rights. As the Snowden leaks of US intelligence a decade ago exposed, it is easier under US legislation for law enforcement agencies to access users' data — and more difficult for consumers to seek redress.

The European Court of Justice has struck down two successive EU-US frameworks designed to facilitate legal personal data transfer — Safe Harbor, and Privacy Shield — after challenges to Facebook's practices by an Austrian privacy activist, Max Schrems.

The court found US laws did not satisfy requirements that were "essentially equivalent" to those required under EU law. Facebook continued transfers on the basis of contractual clauses endorsed by the European Commission, though the ECJ also raised questions over these in 2020. After further complaints from Schrems, the Data Protection Commission in Ireland — home of Meta's European HQ — found against the use of these clauses. It did not recommend a fine, but other European regulators overruled it in consultations.

Meta has been given five months to suspend data transfers to the US, and six months to stop any processing of EU citizens' data previously sent there. Some European campaigners say regulators should have gone further and made it delete the data in the US. Meta plans to appeal against the ruling. Its big hope, along with other tech companies, is that a third EU-US data privacy framework set to come into force in the meantime will prove able to withstand legal challenges. Schrems says he may test it.

Joe Biden signed an executive order in October that bolsters safeguards around US intelligence-gathering and creates a court for citizens to seek redress. Some EU experts are hopeful the new framework will meet the test of being essentially equivalent to EU standards. If not, deeper reform of US intelligence laws or dilution of the EU's GDPR would be needed, which seems politically untenable. Tempers flared when the Privacy Shield was struck down in 2020, with a disgruntled US accusing the EU of hypocrisy given how some member states' security agencies conduct themselves.

> Europe rightly prides itself on world-leading standards on privacy, while America says it is protecting security activities

Companies would otherwise be forced to store all EU personal data on EU servers, which they say could complicate or block all manner of activities from cross-border social networks to sharing clinical trial data. The EU rightly prides itself on world-leading standards on data privacy — a legitimate and growing consumer concern — while the US says it is protecting security activities from which allies also benefit. But the two sides need to find a way to ensure necessary personal data flows can continue legally. A digital decoupling between the west and China may already be unavoidable, but it would be regrettable indeed to see a fracturing of the internet between the world's top democracies.

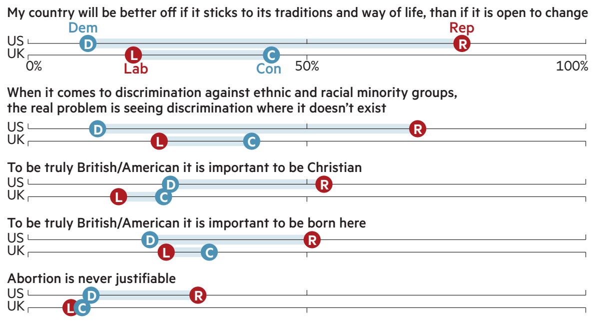
Opinion Data Points

Britain isn't America — and the right shouldn't forget it

John Burn-Murdoch

British Conservative voters are closer to US Democrats than Republicans on most social issues

Share of people in each country with particular views on social issues, by party (%)



Source: FT analysis of data from Pew Research, the World Values Survey and YouGov

When British supermarket giant Tesco withdrew from the US in 2013 just six years after opening its first Fresh & Easy store, it was criticised for failing to appreciate important differences in how Americans and Brits do their grocery shopping.

On the evidence of last week, a similar charge could be levelled at the American National Conservatism movement. Their flagship conference in London, featuring US speakers including Republican senator JD Vance and leading British conservative politicians, was met with more of an irritable eye-roll than a buzz of excitement. Critics included figures on the British centre-right, writing in rightwing publications. How did the organisers misjudge their target market so badly?

Their first mistake was a failure to appreciate quite how radical the US Republican party has become on social issues, and how comparatively moderate Britain's Conservatives are. From immigration and racial discrimination to whether to defend tradition or embrace change, UK Conservatives actually come out closer to US Democrats than Republicans.

"Britain is a Christian nation, or it is nothing at all," said one speaker at the conference. That is news to most British Conservatives, only 24 per cent of whom think being Christian is important to being truly British, compared with 25 per cent of US Democrats and 53 per cent of Republicans asked the same question about being American.

Such starkly different social attitudes don't exist in a vacuum — they have been shaped by very different histories, and are reflected in very different realities. The US fought a civil war over slavery, racial segregation was legal in living memory, and the Ku Klux Klan still exists. Today, America remains far more racially segregated than Britain, which is itself far from perfect on race. Black Americans earn 22 per cent less an hour than their white counterparts. This compares with a black pay deficit of 6 per cent in Britain. Starker yet, while black Americans live four years fewer than whites, black Britons live longer than their white compatriots.

Another key difference is in media landscapes. The US is highly fragmented, with no single news provider consumed by more than 25 per cent of the population. Fox News and CNN have the widest reach, but each is deeply distrusted by one side of the political divide. In Britain, by contrast, almost 60 per cent of people regularly consume news from the BBC, and both Labour and Conservative supporters generally trust its output. The UK brands that do polarise — tabloid newspapers and rightwing TV channel GB News — have far less reach than the likes of Fox and CNN.

Culture war rhetoric thrives where there is a history of internal conflict, no shared source of truth, and no challenge to radical opinions. The failure of last week's conference to resonate should send a clear message to transatlantic culture warriors that US and British vulnerabilities are not always the same.

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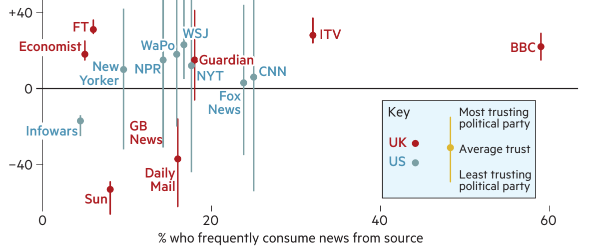
Britain has a single news source used and trusted by most regardless of politics. US media are fragmented and polarised

Consumption of and trust in news by source, country and political party



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Managers must not overlook the benefits of homeworking

Your report ("Hit to London productivity feared from homeworking", May 24) was very useful in highlighting a critical debate about the effects of greater working from home, which stem in part from practices encouraged during the Covid lockdowns.

While the hotly contested outcomes of reduced office time were noted, it was a pity the assertion of the "agglomeration" effects were not similarly scrutinised and counterbalanced. For example, there is also a wealth of research showing the negative impacts of office working.

Additionally, Granovetter's 1973 seminal work detailing the "strength of weak ties" is relevant here. This shows the possible problems of people working closely together as their "strong ties" are utilised frequently and over time colleagues can tend to start to think alike as they share their ideas all the time, reducing the diversity of thought and even creating potentially dangerous "group think".

In contrast, "weak ties" — such as perhaps from a flexible blend of home and office working — could produce more novel thinking and ideas. For business leaders, how to manage the fine line between the two types of "ties" is critical.

In short, a naive Gadarene rush to try to fill offices should not be based on "rose-tinted spectacle" views of offices pre-Covid.

Forward-thinking managers and leaders should recognise the possibilities presented by the positive experiences of working from home to build a better future for how people could work.

Professor Chris Rowley
Kellogg College, University of Oxford
Bayes Business School, University of London, UK

Lack of debate on bloc's new members is worrying

Sylvie Kauffmann is to be commended for raising the issue regarding the EU accession of post-communist states, reaching in total 36 members ("Failure is not an option when it comes to EU enlargement", Opinion, May 19). What is so disturbing is the absence of any discussion in the EU public arena as to how the original vision of the founding members of the EU will be (re)shaped by these newcomers.

What does it mean to have a war-torn country with about 35mn inhabitants, and others with enormous financial needs for decades to come, join the EU, and what are the ramifications for the present EU members?

Kaufmann is right to point out that not a single leader dares to speak out against the prospect of integrating Ukraine and others into the EU and Nato. It is true that Ukraine's president, Volodymyr Zelenskyy, has excellent communication skills to name and shame state leaders who may waver — Olaf Scholz, the German chancellor, being a prime example.

This phenomenon can be compared with Jon Elster's paradox of the civilising power of hypocrisy, meaning that states will vote for a position which actually nobody (or at least only a minority) wants, but in the end everybody supports. This paradox we see repeatedly at the gatherings of defence ministers in Ramstein. Virtually every type of weapon that had been ruled out originally, from Leopard-2 tanks to fighter jets, are set to be delivered in the end.

Furthermore, EU citizens are left in the dark about the financial needs of not just Ukraine, but other post-communist states if they join the EU. The present figures alone for Ukraine's miliary and financial support are simply staggering.

Converting the European Peace Facility to provide financial support for Ukraine has meant an expenditure of €4.6bn (as of March 2023). Yet the EU only functions as a gateway, since the bloc has to borrow from the capital markets and transfer funds with advantageous terms to Ukraine. But this credit has to be secured via guarantees from the EU budget. Thus the budget has to be increased. In other words, EU member states are responsible for these gigantic sums without ever having a public debate on these funding allocations.

The integration of post-communist states will create a new form of EU *Gemeinschaft*, but this needs an EU-wide public debate on the institutional, socio-economic and political transformation beyond the question of finance. EU citizens have a right to know what the vision will be for the future of a new transformed EU governance structure.

Professor Brigitte Young
International Political Economist
Berlin, Germany

It is unfair to demonise China over Taiwan

I refer to Michael Reilly's letter to the FT ("Xi must come to terms with Taiwan independence — as Mao did," May 20) about Taiwan.

As I understand it, legally Taiwan is at least as much the territory of China as Hawaii is the territory of the United States of America (which annexed the Kingdom of Hawaii in 1893). I suspect that the US government would be unhappy if the Chinese government provided aid to the Hawaiian sovereignty movement.

As for democracy, I am pretty certain that if you conducted a plebiscite of the "*demos*" that consisted of all the Chinese people, on both the mainland and the island of Taiwan, there would be, overall, a resounding rejection of Taiwanese independence. The success of Taiwan as an economic entity is possibly not unconnected to the gold and treasure carried to the island by the fleeing nationalists in 1948-49.

This is not an easy problem to solve but demonising President Xi Jinping and the People's Republic of China does not help matters.

Rhys Owen
London SW19, UK

Taipei and Beijing are imagining the worst

Gideon Rachman quite rightly stresses how destructive to China a Xi Jinping decision to attack Taiwan would be ("Xi's aims for Taiwan threaten China's rise", Opinion, May 16).

The solution to the Taiwan imbroglio does not lie with efforts to get Xi to recognise the huge risks involved in using force against Taiwan. It lies with a recognition of (and policy response to) the fact that both sides are reinforcing each other's existing worst case assumptions, leading to war-inducing worst case-based reactions. Dialogue on this dangerous interactive dynamic is badly needed.

Michael D Swaine
East Asia Senior Fellow, Quincy Institute, Washington, DC, US

Harris will hang on in the hope of becoming Potus

I am a liberal Democrat who supported Karen Bass when Joe Biden was considering a running mate ("The Kamala Harris question", Opinion, May 18). Like many Democrats, I thought then and think now that Kamala Harris is a lightweight who has only confirmed that during her two-plus years in office. Just as Dan Quayle was selected to attract "the younger voter", Harris was selected to satisfy two constituencies indispensable to a successful Democratic presidential victory — black and female voters. And it is just for those reasons that Biden cannot replace her on the ticket.

Such replacement was not always unusual — Abraham Lincoln had two vice-presidents and Franklin Delano Roosevelt had three. But in light of the current political climate, Biden does not have that latitude. What Harris needs to do is choose not to run for re-election, thereby freeing Biden to select a better running mate.

I believe she will not do that, hoping that she will gain the ultimate prize in 2028. However, I anticipate that, like Quayle (who was never nominated) or former vice-presidents Hubert Humphrey and Walter Mondale (who lost in the general election), Harris does not have the horsepower to go further, and as Edward Luce pointed out, she may be a lodestone to the campaign in 2024.

Harold M Sklar
Chevy Chase, MD, US

Another Asian economy facing protectionist woes

Ruchir Sharma has rightly punctured dreams of a sustained reopening boom in China (Opinion, May 21). Indeed, old China hands see its economy as a distant (but far larger) echo of Japan's at its 1990 peak, and for the same reasons — weakening demographics and too much debt fuelling too much investment, in Japan's case corporate investment, in China's case infrastructure and residential property.

China is also experiencing the same US protectionist backlash as Japan did then. This time, though, a sluggish Chinese economy could have more serious global ramifications, and not simply in terms of weakening demand for raw materials such as iron ore and copper. Germany, which long ago hitched its wagon to China's star, and benefited hugely from exports of cars and machinery could now suffer from China's drive for self-sufficiency. Its car exports to China are falling, while Chinese brands are squeezing out German makes domestically and are poised to invade the EU market.

And what are Chinese domestic investors doing — buying gold at a premium to world prices. Not a sign of confidence in their own economy.

Richard Cragg
London KT1, UK

UK lays groundwork for semiconductor success

There's no question that the £1bn announced for the semiconductor industry must be just our opening gambit in a heated international race for dominance in this vital technology (Report, FT.com, May 19).

But trying to scale up our capacity in today's semiconductor technology would not be the smartest route for the UK right now. We cannot go toe-to-toe, pound-for-pound with the world's largest economies.

Instead, it's right that the strategy plays to our strengths in the semiconductor tech of the future. And with the limits of today's silicon chip capabilities fast being reached, an opportunity window opens up for the UK to develop a competitive edge.

The UK has many exciting potential silicon disrupters, from Oxford researchers using photonics for high-density computing, to the game-changing compound semiconductor materials in the south Wales cluster.

The government is right to support these strengths while focusing on skills — including the physics skills pipeline — joined-up R&D and manufacturing infrastructure, supporting small businesses and a coherent industry voice. Not to mention the deep and patient pools of capital that will be vital for industry scale up.

Fundamentally this UK strategy is a good framework, but it's just a start. The new industry advisory group must now represent the whole community, including early-stage R&D, to build on the strategy and get the UK ready to move with much greater ambition when the time is right.

Louis Barson
Director of Science, Innovation and Skills, Institute of Physics, London N1, UK

Digitising patient records would help ailing NHS

Recent correspondence in your columns has tended to brush aside "IT" in the context of the NHS as being a relative side show. Yet the failure of the NHS to develop a comprehensive digital patient record system — even though the technology required has been around for many years — demonstrates why the NHS in its present form is unsuitable for the future. The cost of perpetuating old-fashioned record systems partly based on paper is huge, as well as being inefficient. This detail exemplifies why the NHS needs to be broken up into more manageable organisational units, regardless of how it is funded in future.

Peter Ford
London, UK SW20

Correction

● A chart accompanying an article on German exports to China on May 25 wrongly labelled monthly exports in millions, not billions.

Opinion

Regulating artificial intelligence is a 4D challenge

TECHNOLOGY

John Thornhill

The leaders of the G7 nations addressed plenty of global concerns over sake-steamed Nomi oysters in Hiroshima last weekend: war in Ukraine, economic resilience, clean energy and food security among others. But they also threw one extra item into their parting swag bag of good intentions: the promotion of inclusive and trustworthy artificial intelligence.

While recognising AI's innovative potential, the leaders worried about the damage it might cause to public safety and human rights. Launching the Hiroshima AI process, the G7 commissioned a working group to analyse the impact of generative AI models, such as ChatGPT, and prime the leaders' discussions by the end of this year.

The initial challenges will be how best to define AI, categorise its dangers and frame an appropriate response. Is regulation best left to existing national agencies? Or is the technology so consequential that it demands new international institutions? Do we need the modern-day equivalent of the International Atomic Energy Agency, founded in 1957 to promote the peaceful development of nuclear technology and deter its military use?

One can debate how effectively the UN body has fulfilled that mission. Besides, nuclear technology involves radioactive material and massive infrastructure that is physically easy to spot. AI, on the other hand, is comparatively cheap, invisible, pervasive and has infinite use cases. At the very least, it presents a four-dimensional challenge that must be addressed in more flexible ways.

The first dimension is discrimination. Machine learning systems are designed to discriminate, to spot outliers in patterns. That's good for spotting cancerous cells in radiology scans. But it's bad if black box systems trained on flawed data sets are used to hire and fire workers or authorise bank loans. Bias in, bias out, as they say. Banning these systems in unacceptably high-risk areas, as the EU's forthcoming AI Act proposes, is one strict, precautionary approach. Creating independent, expert auditors might be a more adaptable way to go.

Second, disinformation. As the academic expert Gary Marcus warned US Congress last week, generative AI might endanger democracy itself. Such models can generate plausible lies and counterfeit humans at lightning speed and industrial scale.

> Laws only ever evolve incrementally, whereas AI is developing exponentially

The onus should be on the technology companies themselves to watermark content and minimise disinformation, much as they suppressed email spam. Failure to do so will only amplify calls for more drastic intervention. The precedent may have been set in China, where a draft law places responsibility for misuse of AI models on the producer rather than the user.

Third, dislocation. No one can accurately forecast what economic impact AI is going to have overall. But it seems pretty certain that it is going to lead to the "deprofessionalisation" of swaths of white-collar jobs, as the entrepreneur Vivienne Ming told the FT Weekend festival in DC.

Computer programmers have broadly embraced generative AI as a productivity-enhancing tool. By contrast, striking Hollywood scriptwriters may be the first of many trades to fear their core skills will be automated. This messy story defies simple solutions. Nations will have to adjust to the societal challenges in their own ways.

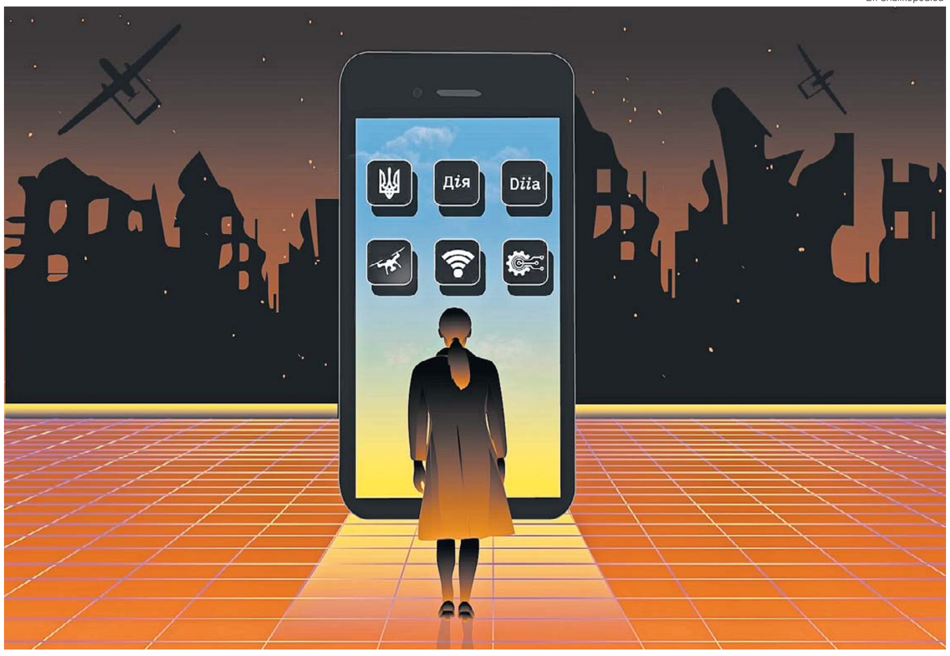
Fourth, devastation. Incorporating AI into lethal autonomous weapons systems (LAWS), or killer robots, is a terrifying prospect. The principle that humans should always remain in the decision-making loop can only be established and enforced through international treaties. The same applies to discussion around artificial general intelligence, the (possibly fictional) day when AI surpasses human intelligence across every domain. Some campaigners dismiss this scenario as a distracting fantasy. But it is surely worth heeding those experts who warn of potential existential risks and call for international research collaboration.

Others may argue that trying to regulate AI is as futile as praying for the sun not to set. Laws only ever evolve incrementally whereas AI is developing exponentially. But Marcus says he was heartened by the bipartisan consensus for action in the US Congress. Fearful perhaps that EU regulators might establish global norms for AI, as they did five years ago with data protection, US tech companies are also publicly backing regulation.

G7 leaders should encourage a competition for good ideas. They now need to trigger a regulatory race to the top, rather than presiding over a scary slide to the bottom.

The writer is founder of Sifted, an FT-backed site about European start-ups

Ukraine already sees a bright digital future



Efi Chalikopoulou

FINANCE

Gillian Tett

This week Mykhailo Fedorov, the youthful T-shirt-wearing vice-prime minister of Ukraine, delivered a passionate speech to a packed audience in Washington.

But unlike most Ukrainian delegations, he was not pleading for more aid. Instead, he had an idea to sell: a piece of digital innovation, known as DIIA, short for "state and I". And investors should take note.

Three years ago, the digital ministry headed by Fedorov launched an app to enable citizens to perform private sector and government services on their phones.

Initially, it looked like a modest tool to "fight corruption and turn Ukraine into a digital state", as Fedorov says. During the Covid-19 pandemic, for instance, the app let Ukrainians verify their vaccination status.

But its use has mushroomed to a startling degree. The app is installed on 70 per cent of all Ukrainian phones and 19mn citizens, about half the population, regularly access the 100-odd services found on it.

These include tools that give citizens the world's first digital passport, enable them to get digital driving licences, organise construction permits, register new babies, pay taxes, make digital signatures and do banking.

More recently, features have been added that teach Ukrainians how to fly drones (and shoot them down), receive refugee payments, report the activities of Russian troops and apply for reconstruction funds when bombs destroy their homes.

Indeed, the app is so effective that the US Agency for International Development, which funded part of its development with the British government, is working with Kyiv to export it. Estonia, for instance, is importing the DIIA code — which is striking since the Baltic state is itself a tech pioneer. USAID is now working with Zambia, Kosovo and Colombia for them to import the code.

"DIIA is Ukraine's best kept secret — we should all envy it," Samantha Power, USAID head, tells me. Indeed, she suspects officials in America's own "municipal and federal government" could also learn from the innovation, given the low levels of state digitisation in the US.

This is striking — for several reasons. For one thing, DIIA provides yet another sign of Ukraine's resilience. The fact that Kyiv has expanded the app in a war and defended it from cyber hacks is impressive.

But this is just one instance of frenetic public and commercial digital activity in Ukraine, Power says. The sector grew 5 per cent in 2022 amid record digital exports (albeit from a low base). This happened even as overall economic output fell by a devastating 30 per cent that year.

Second, DIIA also shows that we now live in an age of "reverse innovation", to cite a phrase sometimes tossed around tech circles. In the 20th century, western governments and companies typically assumed that brilliant innovations started in the west and were then bestowed upon poorer countries.

But that assumption was undermined when M-Pesa, one of the world's first mobile money platforms, emerged in Kenya and was then copied elsewhere. Tech innovations have subsequently flooded out of China, also to be emulated around the world. This might also happen with DIIA, given that it makes government not only more efficient, but more accountable and transparent, too.

> Officials now recognise tech's economic potential, and dream of modelling themselves on Israel

"The legacy of the Soviet Union was corruption — if you wanted to apply for a construction permit or change a car registration, you had to pay an official. But DIIA removes that," says Fedorov.

Power echoes this: "We [in America] have given around $15bn cash to the Ukrainian government, and I don't think we could have done that without DIIA [because] this would have been untraceable in a prior regime and the Ukrainian government was famously corrupt."

But now, she says, "there is a digital trail going directly into the bank accounts" to track money flows, backed by geolocation tools.

Third, DIIA also highlights one possible path for Ukraine's future. The country's prewar economy was dominated by agriculture and heavy industry. But government officials now see tech's potential as a key pillar, and dream of modelling themselves on Israel.

After all, they say, Israel has previously shown that hostile neighbours need not impede growth — or at least not if massive defence investments are used to foster entrepreneurial civilian businesses, backed by a diaspora. Since Ukraine also has hordes of tech-savvy citizens, a diaspora and an increasingly entrepreneurial culture, officials in Kyiv are eager to tell potential foreign investors that it is the next "start-up" nation.

A cynic might retort this sounds wildly premature while the war rages on. After all, Ukraine is struggling to get the weapons it needs to win. And while financial institutions such as JPMorgan and BlackRock have already signalled their readiness to help with reconstruction (and Visa and Google have supported DIIA with grants), inward investment (unsurprisingly) is low.

This is unlikely to change while conflict lasts. But, if nothing else, DIIA shows that necessity is the mother of invention — and that Ukraine has the ability to surprise on the upside. Non-Ukrainians should remember that — for military and civilian reasons alike.

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F-16s alone can't win the war against Russia, but they promise a more equal battle

Edward Stringer

Many have questioned why President Volodymyr Zelenskyy so determinedly pressed for the supply of F-16 fighter planes to his forces in Ukraine. Can one particular aircraft can make such a difference? The answer, in the case of the F-16, is yes.

In using the G7 summit to announce that the US would help train Ukrainian pilots to fly the aircraft, Joe Biden tied his allies into the decision. In effect, Zelenskyy hijacked the event so that major nations swung in behind Ukraine, just as the Russian military leadership appeared to be turning on itself.

Biden's initial reticence on F-16 training was the fear of escalation. That the White House has overcome this caution suggests that their risk appetite has increased. Its other concern was that the Ukrainians would not be able to operate these jets effectively. Nato would usually package F-16s with a full range of supporting aircraft that are considered essential to their operations: electronic warfare, suppression of enemy air defences and airborne command and control. Without these, critics argued, the planes would be of little use.

The easiest charge to dismiss is that it would take 18 months to train Ukrainian pilots. Recent US Air Force trials proved that even though the F-16 is a high-performance fighter, experienced Ukrainian pilots could learn to fly it in four months.

In fact, Ukrainian forces have integrated western weapons on ex-Soviet aircraft in timescales that should embarrass our own peacetime processes. There are legitimate questions about who does deep maintenance on this western aircraft, but maintaining the F-16 on the frontline should not be an issue: it is a straightforward, single-engine aircraft, produced in great numbers, and so spare parts are plentiful.

The far bigger issue is who sustains the supply of western air-to-air missiles. The US Amraam is very capable but cost an estimated $1mn each. The longer-range European Meteor is even more expensive. While national war stock levels are understandably classified, it is an open secret that most Nato air forces are short. Allies would do well to accelerate their missile supply chains as a matter of urgency.

The lack of supporting air power is harder to remedy. Of course, Ukraine cannot replicate Nato support functions. But it doesn't have to: Kyiv is not seeking a package of expeditionary air power, operating at range, deep into enemy territory. It only needs to keep the Russian air force (VKS) on the back foot in the skies over Ukraine.

> The west's constrained donation of arms has restricted Kyiv to fighting in a way that we would not

The war has so far revealed that the VKS is restricted to operating in very small formations and only in airspace over land it controls. But it is shielded by extensive surface-to-air missiles and has longer-range air-launched weapons that give it the advantage over Ukrainian equipment.

The F-16, with its longer-range radars, sensors and missiles, would restore the Ukrainian air force's edge both qualitatively and quantitatively — and push the VKS back into Russia. That will, in turn, protect both Ukraine's ground forces and its critical infrastructure. But boosting its effectiveness in the absence of wider air power packaging will require imagination.

Integrated air defence systems work far better than those operating in isolation. The Ukrainian air force must link together its western surface-to-air missiles and their advanced radars to provide its pilots with an enhanced picture of the aerial battle. Ground-based electronic warfare systems can do much to degrade Russian radars, and thereby its surface-to-air missile belt. Using rapidly-prototyped drones in reconnaissance and suppressing enemy air defence missions would make Russia's fighter aircraft more vulnerable. This package of largely ground-based supporting systems — much cheaper than airborne ones — would allow Ukraine to retain the initiative in the air battle.

Finally, there is a moral dimension to consider. Nato would fight Russia by winning the air battle first, and then using air superiority to drive a more efficient land battle. Given the weakness of the VKS, this is no pipe dream. But the west's constrained donations to date have forced Ukraine to pursue grinding land tactics. We have restricted Kyiv to fighting in a way that we would not, and to take casualties that we would not.

If we want Russia to be defeated, we should reverse this position. The F-16 decision is a big step in the right direction. These jets may not arrive in time to aid Ukraine's spring offensive, but the announcement will already be influencing military and political calculations in the Kremlin. The F-16 is not a panacea, but a totem of a fairer fight.

The writer is a retired RAF Air Marshal who was formerly director-general of Joint Force Development at the UK Ministry of Defence

Pension rules tweaks will not boost business investment

ECONOMICS

Chris Giles

Often in politics, a bad idea turns up when its time has finally come. The current contender in the UK is the belief that a few tweaks to pension rules will flood dynamic companies with much-needed funds, save the troubled stock market, improve returns for future pensioners and resolve the longstanding weakness in business investment.

Chancellor Jeremy Hunt said in his March Budget that his plans, to be announced in the autumn, will "unlock productive investment from defined contribution pension funds and other sources, make the London Stock Exchange a more attractive place to list, and complete our response to the challenges created by the US Inflation Reduction Act".

Not to be outdone, shadow chancellor Rachel Reeves wants to consolidate UK pension funds and perhaps force them to invest in a future growth fund for fast-growing UK companies, because, she tweeted this week, it is well-established that a lack of access to capital is holding back British businesses. "Nothing is off the table," she said.

In seeking evidential underpinning for these claims, the first place to start is the issue of whether UK companies are being constrained by a lack of finance. The CBI has the best data on this, covering manufacturing, service and financial companies, with the manufacturing data stretching back to 1979. It is obvious in this data that a lack of external finance is usually bottom of companies' lists of impediments to investment. The same is true of other sectors.

> Domestic and foreign companies just don't think the UK is the best place to spend their money

There is a little more evidence that smaller companies with intangible capital face some financing constraints because they lack the collateral needed to secure loans. In response, entrepreneurs use their properties as housing equity. But Bank of England researchers found that a large 10 per cent rise in house prices could increase investment in these smaller companies by only £4.5bn. So there is no small company financing constraint which is material to the UK's £2.5tn economy.

Complaints by Reeves and the Tony Blair Institute that Canadian and other global pension funds are investing in UK companies only serve to highlight that British firms can attract finance.

The second question is whether pension funds should be taking more risks. Defined benefit pension regulations since the 1990s might well have gone too far in preventing equity investment in preference for government bonds. But if you take this view, it is odd to believe that the best place for British workers to park their funds is UK equity assets.

Employees are already highly exposed to UK-specific risks and it would be bizarre for the government not to allow pension funds to look for the best returns around the world.

These problems are just warm-up acts. The core issue is that the lack of British business investment is rooted in UK companies not wanting to increase capital expenditure.

Auto manufacturers, such as Stellantis, complain the regulatory landscape is not conducive to investment in Britain. Planning and permitting difficulties hinder the development of renewable energy with investment timelines stretching to 12 years for offshore wind, 10 years for onshore wind and four years for large solar projects to be implemented. Syndicated loans to smaller companies in the UK dropped after the 2016 Brexit referendum, specifically as a result of falling demand for finance.

Domestic and foreign companies just don't think the UK is the best place to invest. That is why business investment has stalled.

We know and understand that politicians are too scared to say the words "planning" and "Brexit" ahead of an election. But if our leaders don't focus on the real problems, they won't succeed in office. And Britain's investment failure will only continue.

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Nvidia: when the chips are up

With one astronomical forecast, Nvidia has gone from a company best known for gaming chips to one whose role in artificial intelligence could make it into the world's first trillion-dollar semiconductor stock.

The reality of the US chip designer's last quarter was unimpressive. What is powering the share price is the current quarter. Revenues are expected to double at a critical unit. This sells graphics processing units used to train large-language models needed for generative AI.

That could bring company-wide revenues to $11bn, up more than 60 per cent on last year. The jump in demand does not appear to be a one-off. In the earnings call, Nvidia mentioned that it had procured "substantial" supply for the second half of the year.

It was already clear that Nvidia was a smart way for investors to capture the mania for generative AI. Companies have not pinned down exactly how much money they can make by applying AI to services. But they need to buy products to train it if they are going to find out. Feedback from bosses combines bewilderment, fear and awe at the possibilities.

It must be bruising to the competition that Nvidia's market cap rise yesterday was so vast that it is being measured in Intels (a $193bn increase equals roughly 1.7 Intels). Then again, Intel's attempt to compete in AI chips has been hobbled by its failure to launch anything that can match Nvidia's H100 chips.

The latest share price jump means that Nvidia now trades on 59 times forecast earnings, almost double that of rival Intel. Buying into this requires belief that experiments in AI will herald the start of what one analyst called the fourth Industrial Revolution.

Chief executive Jensen Huang has warned that US-China tensions could seriously damage the US tech sector. Nvidia cannot sell its highest-performing chips to China. But domestic demand makes up for this.

Keeping pace with that demand is one near-term challenge to watch. That includes ensuring smooth supply. The US may be trying to bring chip manufacturing home, but Nvidia relies on Asian manufacturers Samsung and TSMC. Competitors are racing to make their chips fit for AI workloads. But for now, Nvidia is not just in the business of selling shovels to gold miners, it is the only shovel seller in town.

Tech funds: the cult of Cathie Wood

Cathie Wood became one of the best-known fund managers on Wall Street thanks to her boosterism of the US tech sector. This year, her flagship Ark Innovation ETF is up 29 per cent, easily beating the S&P 500's sub-8 per cent gain. Yet according to Morningstar, net outflows top $19mn. Punchy predictions have grown more difficult to sell as rates rise.

Created in late 2014, the Ark Innovation ETF aims to back disruptive innovation. The bolder the plan, the better. See Wood's backing of Palantir, which wants to take "the whole market" in artificial intelligence. Palantir trades at 54 times forecast earnings. That is higher than most software-as-a-service peers.

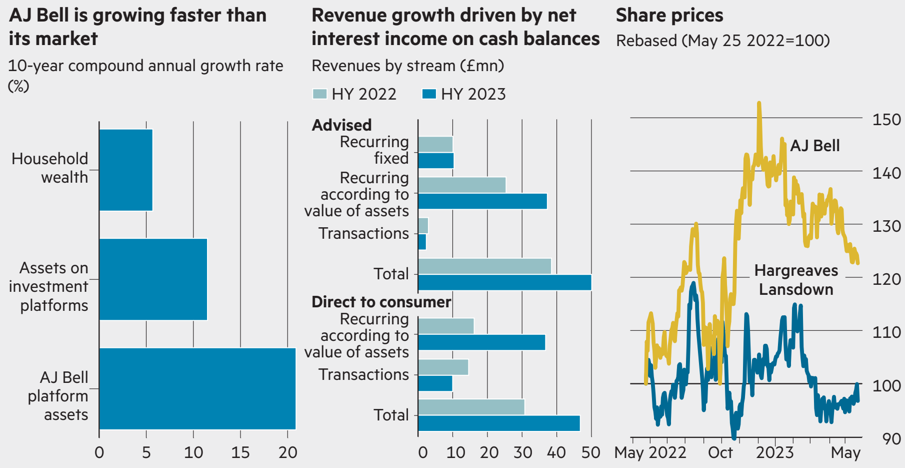
But Wood's forecasts remain dreamily far off. Bitcoin, the world's largest cryptocurrency, trades at more than $26,000. Wood has claimed that by the end of the decade, it will hit $1mn. She says electric-car company Tesla, which has a $573bn market cap, could be a $6tn company in the next four years. True, demand for Tesla vehicles is rising. Elon Musk wants deliveries to jump from a record 1.3mn vehicles last year to 2mn this year. But Tesla is aiding demand by cutting prices, meaning the net income margin is forecast to drop. More than a third of the fund is invested in five stocks, including Tesla, Zoom Video Communications and crypto platform Coinbase.

Concentrated investment in large stocks explains why it tracks the wider tech sector's market performance, from the record price highs of late 2021 to the subsequent valuation crash and then recovery in 2023.

The problem for the Ark Innovation ETF is that, as with the wider tech sector, its performance is closely tied to expectations of US interest rate rises. That undermines any reputation for picking stocks. Predictions that the Fed has stopped raising rates for now have renewed interest in tech stocks. Any hints of change will throw that recovery into reverse.

AJ Bell: going like the clappers

Assets held on investment platforms are outstripping household wealth, supported by new technology. AJ Bell has been growing at twice the rate of the sector. Despite macro headwinds, it did well in its first half, with revenues related to the value of assets supported by net interest income on customer cash balances.



FT graphic Sources: company; S&P Capital IQ

Scrappy upstarts often run rings around established rivals. Welcome to the world of UK investment platforms. AJ Bell is seizing market share. Its future growth trajectory knocks bigger rival Hargreaves Lansdown's into a cocked hat.

Investment platforms are growing faster than household wealth. This secular trend has strong underpinning. The UK has abolished commission-based financial sales while providing strong tax incentives to save. Technology has made online DIY investing relatively painless.

Andy Bell co-founded the investment platform in 1995, long after Hargreaves Lansdown began. AJ Bell has a lot going for it. Low fees and a superior service mean it has been growing at twice the rate of the market over the past decade.

Despite macro headwinds, AJ Bell performed strongly in the first half of its fiscal year. Rising rates and mortgages have squeezed households, meaning net new assets were £2bn — down a third from a year ago. But the customer base is still growing, and has reached 455,008. Assets under administration hit £68.6bn, up 7 per cent since the start of the year.

Revenues rose an impressive 37 per cent to £104mn. This was juiced up by net interest income from treasury management. This is a more variable — and potentially lower quality — revenue stream than administration fees. AJ Bell does not say how much this contributed exactly. But it reckons normalising cash balances may compress revenue margins next year.

AJ Bell, on 21 times this year's earnings, may look expensive compared with Hargreaves Lansdown on 12. But its growth prospects justify this premium.

The group boasts three-year compound annual growth of 20 per cent in forecast earnings per share. That puts AJ Bell on a price to earnings growth ratio of around 1, similar to Hargreaves Lansdown. The incumbent is forecast to deliver three-year EPS growth of 12 per cent, according to James Allen at Liberum.

For harassed Hargreaves Lansdown, the words of Shakespeare — via Stormzy — apply: heavy is the head that wears the crown.

Seven & i/ValueAct: cornershop strop

Conbinis are convenience store chains stocking everything from rice balls to umbrellas. They are as intrinsic to Japanese economic life as hostility to foreign activists. The two themes interwove yesterday when shareholders in Seven & i Holdings voted down all four board candidates nominated by ValueAct of the US.

Pity. Reforms suggested by the low-profile US hedge fund have been reasonable.

The 7-Eleven convenience store operator struggles with a heavy conglomerate structure. This sprawls across financial services into managing hotels and underground car parks.

ValueAct wants Seven & i to focus on lucrative conbinis and spin off underperforming businesses.

ValueAct also wants Ryuichi Isaka to be replaced. But yesterday more than three-quarters of votes cast were in favour of the group president.

Cultural factors may be at play. Japanese investors may more tolerant of vertical integration.

But ValueAct has good financial justification in calling for a narrower focus. In recent years, some Seven & i businesses have continued to lag. Department stores booked net losses.

Seven & i caved last year and said it would sell the struggling unit, Sogo & Seibu, to US fund Fortress. Isaka gave ValueAct no credit for this.

The shares reflect growing approval for the shifting strategy, though. ValueAct, which owns a 4.4 per cent stake, has been a Seven & i shareholder since 2020. During that time, the shares and their valuation on an enterprise value-to-forward ebitda basis have doubled. This year has been good so far for investors. But valuations remain below the 10-year average on a forward earnings basis.

Repeated disappointments risk driving away foreign activists, who authorities acknowledge can be instrumental in raising returns. Conbinis are a tradition worth preserving. Reflexive votes in favour of management are not.

OpenAI: the cap will not fit

Artificial intelligence sits at a weird intersection of financial and human progress. Investors anticipate big profits. Lawmakers fret about job losses and disinformation.

Start-up OpenAI has a cap on investor returns, signalling its noble desire to balance those aims. If sales explode, the cap may not last long.

The group began in 2015 as a non-profit research organisation. Its goal was to benefit humanity via AI without financial gain. But the cost of experimentation is high. Salaries and cloud computing bills run to tens of millions of dollars per year. Elon Musk, an early investor with deep pockets, stepped down from the board in 2018. Soon afterwards OpenAI created OpenAI LP, a "capped profit" arm governed by the non-profit.

The change enabled OpenAI to draw in investors rather than donors. But there is a catch. Early investor returns are limited to 100 times their money. Later investors, such as Microsoft, reportedly agreed to a 20 times cap.

The odds of any start-up investor making a 100 times or even 20 times return are normally slim. For most VCs, a 10 times return is considered a standout success.

Investors in OpenAI need not worry about profit limits for now. It is forecast to generate $200mn in revenue and no net income this year. With a valuation of $29bn this would mean it is valued at a huge 145 times forecast sales.

OpenAI's popular chatbot ChatGPT has spawned mass interest in AI tools. Last week it released its first app. It has a partnership with Microsoft and sells AI services to consumer and corporate customers. This is the start of a new market which may be dominated by a small number of companies. Profit gains are potentially large.

To compete, however, OpenAI will need funds. Look at Google, where free cash flow at parent Alphabet exceeded $60bn in a single year. Future investors in OpenAI may balk at a profit cap. The start-up has changed its own structure before. It can do so again.

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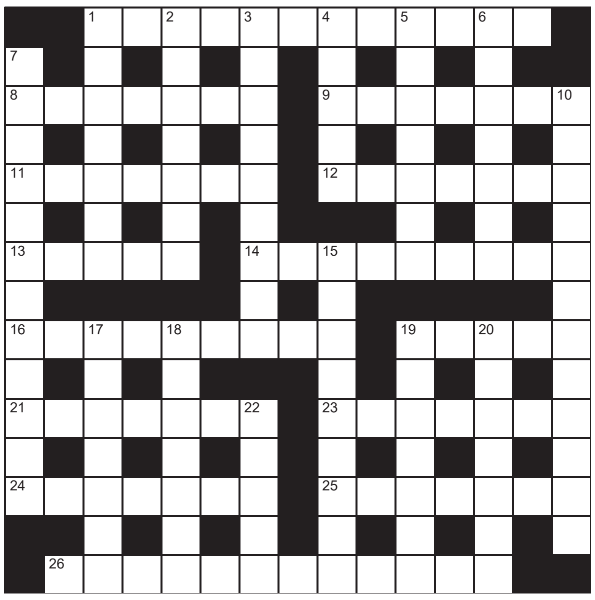

ACROSS

1 Parish representative a heavy smoker? (12)
8 Boy breaking bread for French champion (7)
9 She released evil over Republican in police car (7)
11 Show Spartan having whip round (7)
12 Prodigal son comes first, being submissive (7)
13 Such a worker as scribbled notes? (5)
14 Exact money? (9)
16 Musical university retired collection broadcast for rock band (5,4)
19 Judgement correct as Tertullus shows (5)
21 Garments Trish knitted on back street? (1-6)
23 Immediately caging rook in Berlin I see! (7)
24 Educated English lewd about sex? (7)
25 Opening gold reserve involves one key (7)
26 Diabolical screen wraps around Catholic magicians (12)

DOWN

1 Bore on the Tube? (7)
2 Junior needing work experience (7)
3 Artist in Cape working with horses (9)
4 Soiled pews one sits in? Cleaning products needed (5)
5 Controlled bullet in rifle (7)
6 A quote about old times turned up in curious collection (7)
7 Gap to close: tile's one missing in Columbia? (5,7)
10 A cold fish admitting she has fatal flaw (8,4)
15 One calls to Lower House: planner worried outside! (9)
17 Heinous criminal done by own organisation? (2-5)
18 Hunting bird hunting dog (7)
19 Engine right inside slow boat in Spain (7)
20 Drinks lacking body? (7)
22 Second XI shows power (5)*

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